

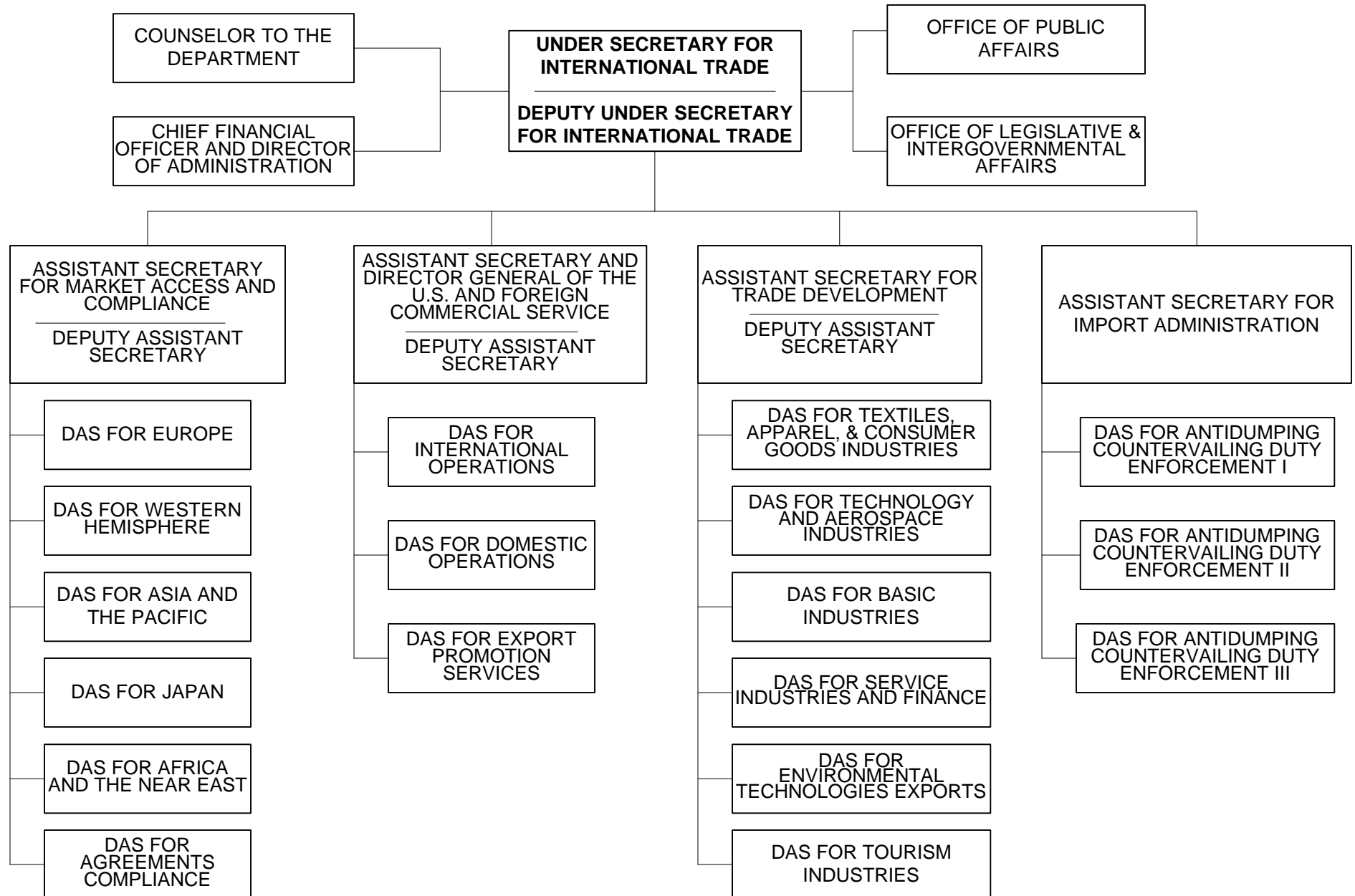
**DEPARTMENT OF COMMERCE  
INTERNATIONAL TRADE ADMINISTRATION  
Budget Estimates, Fiscal Year 2000  
President's Budget**

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# U.S. DEPARTMENT OF COMMERCE

## INTERNATIONAL TRADE ADMINISTRATION



**INTERNATIONAL TRADE ADMINISTRATION  
BUDGET ESTIMATES, FY 2000  
PRESIDENT'S BUDGET**

Exhibit 3

**EXECUTIVE SUMMARY**

The Government Performance and Results Act (GPRA) of 1993 calls for the formulation and implementation of: (1) a Strategic Plan, (2) an Annual Performance Plan with performance measures, and (3) a Program Performance Report to Congress.

The Department of Commerce's (DOC's) Strategic Plan was designed to fulfill all of the reporting requirements set forth in the GPRA. The foundation of the DOC Plan is the Mission Statement and the three interrelated Strategic Themes which support it. Each of DOC's organizational entities (bureaus) conducts programmatic activities which directly support one or more of these DOC - level Strategic Themes. The Strategic Themes provide the vehicle for understanding DOC's aims, how they interlock, and how they are to be implemented through DOC's programs. Commerce programs will address the Department's Mission and Strategic Themes through specific Goals to be achieved and Objectives to be met. The International Trade Administration (ITA) contributes toward the accomplishment of one of DOC's three Strategic Themes:

DOC STRATEGIC THEME #1

"Build for the future and promote U.S. competitiveness in the global marketplace, by strengthening and safeguarding the nation's economic infrastructure."

The International Trade Administration will directly support DOC's Theme #1 through accomplishment of the following Goals and Objectives.

ITA's GOALS AND OBJECTIVES

A. Implement the President's National Export Strategy in conjunction with the Trade Promotion Coordinating Committee.

- o Strengthen trade advocacy, trade promotion, and the Trade Promotion Coordinating Committee.
- o Increase trade assistance targeted to small and medium-sized enterprises.
- o More closely align trade objectives with U.S. foreign policy.

B. Enforce U.S. trade laws and agreements to promote free and fair trade.

- o Strengthen trade law enforcement and compliance monitoring, including continued operation of the Trade Compliance Center.

C. Strengthen and institutionalize ITA's trade promotion and trade advocacy efforts.

A brief discussion of ITA's four Strategic Objectives is presented below.

#### ITA'S STRATEGIC OBJECTIVES

I. -- **Strengthen trade advocacy, trade promotion, and the Trade Promotion Coordinating Committee** (TPCC) - Through the Advocacy Center, which is the "nerve center" of the TPCC's advocacy network initiative, ITA leads the Government-wide effort to develop and implement interagency strategies to help U.S. firms win bids for major projects and commercial transactions in foreign markets. ITA Advocacy efforts are almost exclusively involved only when the foreign decision maker is a foreign government or government-owned enterprise and, thus, pure market forces are not at work. In less than four years, our Advocacy Center has helped over 200 U.S. companies win contracts worth potentially over \$50 billion in U.S. exports over the life of the contracts.

In terms of our trade promotion efforts, we will work to help firms export by enhancing our field resources, establishing electronic links and developing new product lines. Specifically, we plan to help small and medium-sized enterprises take advantage of

international business opportunities by using the Internet. Secondly, we will review the deployment of our resources to the field - both domestically and overseas - based on priority markets. Third, we will review existing export promotion product lines (e.g. Gold Key, Agent Distributor Services, etc.) and suggest new product development. We will also explore using the Internet and other marketing devices to increase awareness of our export promotion programs and services - particularly to small businesses.

*Electronic Commerce:* We will enhance our resources devoted to expanding electronic commerce opportunities across all sectors. We will also work to support the Administration's initiative to secure open access to trade through e-commerce.

*Bolstering Trade Statistics:* We will work to enhance the quality, utility and availability of trade statistics, broken-down by state and metropolitan area. Also, working closely with ESA, we hope to institutionalize statistics garnered from the Exporter Data Base - particularly small business exporter data.

We plan to strengthen the role of the Trade Promotion Coordinating Committee (TPCC). Our goal is to provide a "seamless web" of government services, from technical assistance, to advocacy, to trade finance, to help for small business - to support our exporters at every phase of the export process. We will assist with the government-wide commercial strategy to address the Asian financial crisis, and also launch, in the TPCC, a comprehensive promotional strategy for dealing with the growing trade deficit with China. We will also reinvigorate our initiative for expanding trade with improving markets and develop a comprehensive strategy to increase small business exports.

*II. -- **Increase trade assistance targeted to small and medium-sized businesses.*** - ITA will continue to provide export assistance to small and medium-sized enterprises (SMEs) through the U.S. and Foreign Commercial Service's network of domestic and overseas field offices. We will implement the recommendations of our comprehensive review of the nationwide U.S. Export Assistance Center Network, and develop a comprehensive strategy to increase SME exports, including helping to expand access to trade by small businesses via the Internet.

Since most of the growth of employment over the last several years is attributable to small and medium-size enterprises, it is vital for our economic future to do more to encourage these businesses to look beyond our borders for new growth opportunities. Working hand-in-hand with the private sector, ITA organized overseas trade missions as well as trade exhibitions and product literature centers aimed at small and medium-sized businesses. ITA industry representatives met one-on-one with U.S. businesses - most of them new to exporting - in hundreds of thousands of counseling sessions, providing advice and strategies on entering sector-specific markets in foreign countries.

Strengthened programs within ITA will provide SMEs with better tools to succeed in competitive international markets. For example, the Trade Information Center is now providing expanded services, giving country business counseling for Asia, Africa, Near East, Western Hemisphere, and Western Europe. Small businesses can get even more information with a single call to the toll free number 1-800-USA-TRADE. Our Trade Information Center and our U.S. and Foreign Commercial Service have also done an outstanding job in helping hundreds of thousands of U.S. businesses. During FY 1997, the TIC handled nearly 241,000 inquiries. Of these, TIC specialists responded personally to approximately 58,000 telephone, e-mail, letter, fax, or visitor inquiries, 90 percent of which were from small businesses. TIC staff also helped over 5,000 U.S. trade show attendees.

At ITA we will seek to use the technology of electronic commerce to help small businesses use the Internet to receive our services and to promote their products abroad. We will also work in coordination with other TPCC agencies to define more efficient means of providing export assistance and financing to small businesses.

*III -- **More closely align trade objectives with U.S. foreign policy.*** - Trade and investment flows can play a significant role in facilitating incentives for peace and prospects for sustained economic growth and stability. ITA will continue its efforts to provide economic incentives to promote these ends by encouraging U.S. exports and U.S. business leads to emerging economies in Sub-Sahara Africa, Latin America and the Asia-Pacific region. ITA is also using various bilateral and regional mechanisms to expand the participation of U.S. firms in Middle Eastern economies and to support the peace process. Sustainable development, climate change, and numerous Multilateral Environmental Agreements (MEAs) also figure

prominently in U.S. foreign policy. ITA played a major role in helping to define the Administration's position for the Kyoto Climate Change Negotiations and is heavily involved in determining and monitoring the trade effects of various MEA negotiations.

Secretary Daley lead a business development mission to Northern Ireland and the border counties of Ireland, our fourth in a series of successful missions to the region. He also accompanied President Clinton on his history making visit to Africa, including a stop in South Africa to help re-energize the U.S. commercial relationship. We will also enhance our resources devoted to Administration initiatives to increase trade opportunities with Africa.

IV. -- **Strengthen trade law enforcement and compliance monitoring, including continued operation of the Trade Compliance Center.** - ITA's Import Administration unit impartially enforces U.S. antidumping and countervailing duty laws to ensure that American businesses face a level playing field in the domestic market versus foreign competitors. We will focus our resources on ensuring adequate support for reviewing Import Administration "sunset" reviews and subsidies enforcement activities such as International Monetary Fund (IMF) criteria monitoring, World Trade Organization (WTO) cases, and monitoring foreign countries' subsidy activities. We will work to expand the coverage of the current Organization for Economic Cooperation and Development (OECD) bribery convention and we will work to further tighten WTO government procurement rules to help ensure transparency and openness in international competition.

Our Market Access and Compliance (MAC) unit is concentrating on identifying existing and potential market access problems and initiating U.S. government action to overcome market access obstacles country-by-country and region-by-region to expand opportunities for U.S. business worldwide. We will conduct a multi-pronged effort to expand market access for U.S. goods and services. On the multilateral level, we will focus on expanding Asia-Pacific Economic Cooperation (APEC) sectoral coverage beyond the current 15 sectors; launch negotiations on the Free Trade Area of the Americas (FTAA), and pursue a transatlantic initiative, and continue to press for the deregulation of Japanese markets. We will also press for liberalization in non-tariff areas including expansion of our Mutual Recognition

Agreements with the European Union (EU). In the long-run, we will work to secure trade negotiating authority and shape a possible new multilateral trade Round. Last year, MAC achieved a remarkable breakthrough with the conclusion of the U.S. - EU Mutual Recognition Agreements (MRAs), covering more than \$50 billion in trade in key competitive areas such as computers, pharmaceuticals and medical devices. Letters from U.S. companies and trade associations credit MAC with market openings that will result in up to \$51 billion of new exports.

A key element is our Trade Compliance Center (TCC) in MAC which monitors foreign compliance with over 240 trade agreements the United States has in force. The TCC has developed a comprehensive data base of agreements and is developing quantitative means of measuring compliance, so that U.S. business can be in a position to take full advantage of market opening agreements. MAC utilizes not only its own country market access officers but also the U.S. and Foreign Commercial Service's (US&FCS) overseas expertise and Trade Development's industry expertise in identifying compliance issues and priorities.

#### Secretarial Initiatives:

Secretary Daley has identified ten Secretarial Initiatives for FY 2000 as his top priorities for funding. The Secretary intends these initiatives to be cross-cutting activities within the Department of Commerce (DOC) across key Bureaus and to encompass DOC's three Strategic Themes. ITA will play a major role in implementing four Secretarial Initiatives; specifically:

*Statistical Infrastructure.*- ITA will provide American businesses, governmental units and the general public with statistical information necessary to improve their ability to export. In FY 2000, ITA will strengthen tourism industry statistics by enhancing the In-Flight Survey of International Air Travelers and assisting in developing a permanent set of accounts for the nation's Travel and Tourism Satellite Accounts. ITA will also continue to improve sub-national export statistics.

*Broadening Trade.*- ITA will increase its efforts to assist U.S. firms to become exporters, aid exporters in entering new markets or increase exports in established markets, to protect U.S. firms from unfair foreign competition, and to ensure that U.S. firms reap the benefits of international trade agreements. In FY 2000, ITA will: further aid U.S. firms to enter key emerging markets such as Africa and Latin America; expand the presence of the United States and Foreign Commercial Service offices in the Asia/Pacific region; aggressively enforce the nation's trade compliance agreements, enhance market access programs, with emphasis on implementing the Uruguay Round Agreements Act and defending U.S. AD/CVD decisions when challenged through the WTO dispute settlement process by foreign interests; improve efforts in the area of worldwide standards development; and enhance efforts in trade education and outreach.

*Digital Department.*- Efforts within this Secretarial Initiative include automation of information and services for exporters and potential exporters and expansion of electronic commerce. In FY 2000, ITA will continue to evolve its use of electronic commerce methodologies to improve service delivery and better assist small and medium-sized firms to use electronic commerce to increase exports. Additionally, ITA will assist exporters by bringing U.S. Government's tariff/taxes and customs information services (for 60 countries) up-to-date and on a par with those offered by the European Commission to European exporters.

*Clean Financial Audits.*- ITA will continue to move forward in its efforts to attain a clean financial audit. In FY 2000, ITA intends to be fully up and running



on new personal property inventory and accounting systems which will greatly enhance our ability to obtain an unqualified opinion.

#### BUDGET INCREASE PROPOSALS

Budget increases have been requested in support of the four Secretarial Initiatives outlined above, DOC Strategic Theme 1, and ITA's Strategic Goals and Objectives. Specifically, these increases include:

Automated Tariff Quick-service Program for Export Facilitation (3 FTE, +\$500,000) - The Tariff Quick-service Program will bring the U.S. Government's tariff/taxes and customs information services for exporters up-to-date to be competitive with those offered by the European Commission to European exporters. This request will allow for rapid retrieval of electronic tariff data and dissemination of the information by dedicated, junior staff, freeing more expert Trade Information Center specialists for counseling and information development.

Improved Tourism Industry Statistics (0 FTE, +\$500,000) - This request will allow the Administration to improve trade statistics and increase global competitiveness of U.S. companies. The key statistical programs which will benefit from this increase are the In-Flight Survey of International Air Travelers and the development of a permanent set of accounts for the nation's Travel and Tourism Satellite Accounts (TTSA's). Overall, the funding will yield more detailed data for use in export efforts by SMEs.

Commercial Infrastructure Development Initiative (10 FTE, +\$2,000,000) - This initiative will be a public/private partnership blending the expertise of the Department of Commerce (Office of the General Counsel, National Institute of Standards and Technology, National Telecommunications and Information Administration, U.S. Patent and Trademark Office and the International Trade Administration) with private sector specialists from trade associations, the academic community and private companies. ITA will lead and coordinate efforts to develop a commercial infrastructure and build permanent institutions to increase bilateral trade in selected emerging markets (in Latin America, Africa, Asia, and Eastern Europe). The program will operate in countries where USAID does not operate technical assistance programs or where development has reached the point at which commercial infrastructure should naturally supplant the types of assistance AID provides.

Market Access Strike Force Initiative (9 FTE, +\$2,700,000) - This initiative will provide highly skilled and trained "strike force" teams to work with U.S. embassy staffs to inventory and address the full range of trade barriers in individual countries and train the embassy staffs on follow-up and MAC will provide the detailed backup and support knowledge necessary on a temporary basis to U.S. embassy staffs grappling with specific market access barriers.

Agreements Compliance and Market Access Initiative (11 FTE, +\$1,700,000) - The growing U.S. trade deficit and the Asian crisis, coupled with labor and business demands for effective compliance with trade agreements negotiated by the U.S. Government, are resulting in a greatly expanded need for the Market Access and Compliance (MAC) unit's trade agreement monitoring and compliance activities. Simultaneously, there is

a growing need to better educate the American business community, particularly SMEs, of their rights and benefits under these 250 bilateral, regional and multilateral trade agreements. This increase will help boost U.S. exports by helping U.S. companies better use market openings under current agreements and by ensuring that market access barriers are successfully addressed in upcoming talks such as the Free Trade Area of the Americas Agreement (FTAA), and the Transatlantic Economic Partnership (TEP).

Implementation of the Uruguay Round Agreements Act (10 FTE, +\$1,100,000) - This increase will enable Import Administration (IA) to effectively and vigorously enforce the Uruguay Round Agreements Act (URAA) with respect to subsidies enforcement activities in support of U.S. exporting efforts. The role of IA is not only to fully enforce the antidumping and countervailing duty laws, but also to spearhead the subsidies enforcement activities of the United States with respect to the disciplines embodied in the World Trade Organization (WTO) Subsidies Agreement. As part of this effort, IA evaluates whether foreign government subsidy practices are inconsistent with the Subsidies Agreement and hurting U.S. exporters. It then makes recommendations to the United States Trade Representative (USTR) on necessary actions, such as the establishment of a WTO dispute settlement panel. IA requests funding and FTE to effectively and vigorously enforce the Subsidies Agreement in support of U.S. exporting efforts.

WTO Dispute Settlement Unit (8 FTE, +\$634,000) - This request will enable Import Administration (IA) to advance two key goals: (1) to respond to WTO dispute settlement challenges brought by foreign governments against U.S. antidumping and countervailing duty decisions, and (2) to assist U.S. exporters covered by foreign antidumping and countervailing duty cases by evaluating developments in foreign proceedings and, in conjunction with the Department's General Counsel's Office and United States Trade Representative (USTR), bringing WTO dispute settlement challenges.

Africa 2000 Strategy (12 FTE, +\$4,200,000) - This increase will fund numerous aspects of a new comprehensive trade strategy in Sub-Sahara Africa including: the establishment of the African Trade Information Center (AFTIC), a virtual and physical source for trade information on all 48 mainland countries; additional US&FCS Officers in un-staffed African countries; and the establishment of an Africa-based training center for U.S. & FCS Officers, State Department Officers, and State Department Foreign Service Nationals (FSNs) to train them in delivery of US&FCS products and services.

Asia-Pacific Strategy (10 FTE, +\$4,600,000) - This increase will fund several new projects and place officers in several new, currently under-served countries as part of the US&FCS overall trade strategy in the Chinese Economic Area and the Asia-Pacific region. Specific projects include: increasing the number of commercial officers in China by placing one officer each in two additional Chinese provinces, along with three foreign service national (FSN) staffers at each site; adding Personal Services Contractors (PSCs) and FSN staff to the commercial section in Chengdu, Sichuan Province, and Shenyang, Liaoning Province; and opening a commercial office in Dalian (Liaoning Province), which is becoming a major trade center in northeast China. US&FCS will also increase the number of PSC and FSN staff in Vietnam, particularly in Ho Chi Minh City, and open two new US&FCS offices in the region. A portion of this increase will also fund a region-wide training initiative consisting of several region-wide training sessions focusing on administration, trade promotion, and selected industry sectors. Funds will also be used to increase our outreach efforts.

Joint Program for the Establishment of Standards Attaches (3 FTE, +\$1,000,000) - This request will fund the establishment of new Standards Attache positions in US&FCS posts in Russia, China and South Africa. These new Standards Attaches will serve other posts in each region and be responsible for the developing and executing a new, cooperative training program with NIST for US&FCS Officers to become Standards Attaches. Funding will also support multiple temporary duty assignments for NIST personnel to provide technical expertise at US&FCS posts in the field.

Key Expansion in the Western Hemisphere/Latin America (8 FTE, +\$2,000,000) - This request will fund several new projects and place officers and FSN support

staff in several new, currently under-represented countries as part of ITA's Latin America trade strategy. New projects funded by this increase will include: upgrading the US&FCS presence in Montevideo from partner-post status to a full post managed by a mid-level Commercial Service Officer with support staff; expansion of operations in under served areas of Mexico, Argentina and Brazil, and the establishment of new US&FCS posts in Central America and the Caribbean.

Manufacturing Export Promotion Partnership (1 FTE, +\$2,000,000) - This increase will fund a new collaborative effort between ITA's US&FCS domestic field operations and the Technology Administration's National Institute of Standards and Technology (NIST). Funds will be used to develop a joint program between US&FCS Export Assistance Centers(EACs) and NIST's Manufacturing Extension Partnership (MEP) centers to work with manufacturing firms developing new technology, products, and technology applications and which are approaching a point of readiness to enter the export market. ITA/US&FCS will assistance will assist these companies in entering export markets quickly.

Personal Property Inventory and Accountability Systems (0 FTE, +\$1,000,000) - This increase will allow ITA to meet the requirement to improve its accounting system by using the Department of the Interior accounting system, modified for ITA purposes. It will also allow for the establishment and deployment of a world-wide Personal Property Inventory system throughout all ITA offices.

The above increase requests directly support the following Secretarial Initiatives:

<u>Secretarial Initiative</u>	<u>FTE</u>	<u>Amount (\$000)</u>
<i>Statistical Infrastructure:</i>		
Improved Tourism Industry Statistics (TD)	0	500
<i>Broadening Trade:</i>		
Africa 2000Strategy(US&FCS)	12	4,200
Expand in the Western Hemisphere and Latin America (US&FCS)	8	2,000
Asia Pacific Strategy (US&FCS)	10	4,600
Market Access Strike Force Initiative (MAC)	9	2,700

<u>Secretarial Initiative</u>	<u>FTE</u>	<u>Amount (\$000)</u>
Agreements Compliance and Market Access (MAC)	11	1,700
Implementation of the Uruguay Round Agreements Act (IA)	10	1,100
WTO Dispute Settlement Unit (IA)	8	634
Joint Program for the Establishment of Standards Attaches (US&FCS)	3	1,000
Commercial Infrastructure for the 21 <sup>st</sup> Century (TD)	10	2,000
Manufacturing Export Promotion Partnership (US&FCS)	1	2,000
<i>Digital Department:</i>		
Automated Tariff Quick-Service Program (TD)	3	500
<i>Clean Financial Audits:</i>		
Personal Prop. Inventory and Accountability Systems (Admin.)	0	1,000

#### ITA'S PERFORMANCE MEASURES

The GPRA also calls for performance measures which quantify achievement of the stated Goals and Objectives supporting the Plan's Strategic Themes.

**EXHIBIT 3A** (Summary of Goals, Objectives, and Performance Measures) outlines the Strategic Themes, the supporting Goals and Objectives, the responsible Program Unit(s), and the related Output and Outcome Performance Measures.

**EXHIBIT 12** (Justification of Program and Performance) provides a table displaying statistical data for the

Output and Outcome Performance Measures underpinning ITA's Goals and Objectives, for the period FY 1998 through FY 2001.

**EXHIBIT 12A** (Justification of Program and Performance) provides a brief definition of each of ITA's Output and Outcome Performance Measures.

## SUMMARY OF GOALS, OBJECTIVES AND PERFORMANCE MEASURES

DOC Strategic Theme	ITA Goal	ITA Objective	Program Unit	ITA Performance Measures	
				Outputs	Outcomes
Build for the future and promote U.S. competitiveness in the global marketplace by strengthening and safeguarding the nation's economic infrastructure.	Implement the President's National Export Strategy in conjunction with the Trade Promotion Coordinating Committee	Strengthen trade advocacy, trade promotion, and the TPCC	Trade Development	# Projects \$ Value (\$B) % Satisfied Customers % Successful Projects Completed	#, \$ of Foreign Advocacy Offset \$ Gross Exports Supported (\$B) # Gross Jobs Supported
		Increase trade assistance targeted to small and medium-sized businesses	Trade Development MAC Commercial Service	# Counseling Sessions # Clients % Satisfied Customers # Matching Services # Custom Agency Reports % Satisfied Customers # Reports Distributed # Trade Events # Firms % Satisfied Customers	# New-to-Export Firms # New-to-Market Firms \$ Gross Exports Supported # Gross Jobs Supported % that actually export
		More closely align trade objectives with U.S. foreign policy	MAC	# meetings with foreign policy community leaders for vetting of trade objectives	# trade initiatives which foster foreign policy goals
	Enforce U.S. trade laws and agreements to promote free and fair trade	Expand trade law enforcement efforts	Import Administration	# of applications reviewed # of applications processed # of entries monitored # petitioners counseled # investigations conducted # AD/CVD orders issued to U.S. Customs Service	\$ Gross exports # Gross jobs supported \$ Duty-free scientific equipment imported and made available to US non-profit educational/research institutions \$ Duty-free articles imported to improve quality of life for disabled
		Expand compliance monitoring efforts	MAC	# agreements entered in database	
	Strengthen and institutionalize trade advocacy efforts, placing special emphasis on the Big Emerging Markets	Continue emphasis on trade with the BEMs without losing focus on mature markets	TD CS	# Agreements % Satisfied Customers % Contribution from Cooperators	\$ Gross Exports Supported # Gross Jobs Supported

**INTERNATIONAL TRADE ADMINISTRATION  
TRADE PROMOTION PERFORMANCE MEASURES**  
(dollars in millions except where otherwise noted)

<u>Activity</u>	<u>Market Failure</u>	<u>Output</u>	<u>FY 1998 Actual</u>	<u>FY 1999 Estimate</u>	<u>FY 2000 Estimate</u>	<u>FY 2001 Estimate</u>	<u>Outcomes</u>	<u>FY 1998 Actual</u>	<u>FY 1999 Estimate</u>	<u>FY 2000 Estimate</u>	<u>FY 2001* Estimate</u>
1. Negotiating Open markets											
Multi-lateral Participations	Failure of Competition	# Multi-lateral Meetings/Negotiations/Consultations	1,375	1,519	1,646	1,750					
Bilateral/Regional Participations	Failure of Competition	# Participations in Bilateral/Regional Negotiations	2,869	3,139	3,379	3,680	[Outcomes calculated for USTR as primary agency. ITA recognized as providing support.]				
		# Participations in Commissions and Business Development Committees	110	104	100	105					
		# Disputes Addressed	268	364	425	475					
4. Providing Information, Counseling, and Export Assistance Services											
Counseling	Public Good or Information Asymmetry	# Counseling Sessions	335,532	305,837	309,922	311,302					
		# Clients	156,305	148,729	155,978	159,298					
		% Satisfied Customers	N/A	N/A	N/A	N/A					
Generating and Providing Information	Public Good or Information Asymmetry	# Matching Services	1,445	1,409	1,460	1,512	# New-to-Export Firms	25,430	25,260	26,089	26,464
		# Custom Agency Reports	3,422	3,319	3,422	3,678	# New-to-Market Firms	49,042	45,919	47,437	48,545
		% Satisfied Customers	N/A	N/A	N/A	N/A	\$ Gross Exports Supported(\$B)	N/A	N/A	N/A	N/A
		# Reports Distributed	13,343	12,211	12,758	13,314	# Gross Jobs Supported	N/A	N/A	N/A	N/A
Trade Events	Public Good or Information Asymmetry	# Trade Events	438	407	407	442					
		# Firms	9,320	8,608	8,608	9,329					
		% Satisfied Customers	N/A	N/A	N/A	N/A					
5. Government-to-Government Advocacy											
Advocacy Efforts	Failure of Competition	# Projects	590	600	610	610	\$Value of Market Openings(\$B)	0.5	0.8	1.1	1.3
		\$ Value (\$B)	110	110	114	114	\$ Gross Exports Supported (\$B)	7.8	10.0	10.5	10.5
		% Satisfied Customers	N/A	N/A	N/A	N/A	# Gross Jobs Supported	N/A	N/A	N/A	N/A
		% Successful Projects Completed	12	13	13.5	14					
7. Developing Foreign Markets for U.S. Goods and Services											
Market Development											
Cooperator Program	Public Good	# Agreements	7	7	7	7	\$ Gross Exports Supported	N/A	N/A	N/A	N/A
		% Satisfied Customers	N/A	N/A	N/A	N/A	# Gross Jobs Supported	N/A	N/A	N/A	N/A
		% Contribution from Cooperators	67	67	67	67					

**INTERNATIONAL TRADE ADMINISTRATION**  
**TRADE LAW ENFORCEMENT PERFORMANCE MEASURES (IA)**  
(dollars in millions except where otherwise noted)

<u>Activity</u>	<u>Market Failure</u>	<u>Output</u>	<u>FY 1998 Actual</u>	<u>FY 1999 Estimate</u>	<u>FY 2000 Estimate</u>	<u>FY 2001 Estimate</u>	<u>Outcomes</u>	<u>FY 1998 Actual</u>	<u>FY 1999 Estimate</u>	<u>FY 2000 Estimate</u>	<u>FY 2001 Estimate</u>
<b>Trade Law Enforcement</b>											
Review applications for new and expansion of FTZ	Public good	# of applications reviewed	81	88	95	100	\$ Gross exports (\$B) \$ Gross jobs supported	17 367,000	18 370,000	20 380,000	21 380,000
Process duty-free applications	Public good	# of applications processed	88	100	120	100	\$ Duty-free scientific equipment imported and made available to US non-profit educational/research institutions (\$M)	13	16	20	18
Monitor duty-free entries	Public good	# of entries monitored	5,224	5,400	6,000	6,000	\$ Duty-free articles imported to improve quality of life for disabled (\$M)	346	400	400	400
Counsel potential AD/CVD petitioners	Public good	# petitioners counseled	64	64	64	64					
Conduct AD/CVD investigations	Public good	# investigations conducted # AD/CVD orders issued to US Customs Service	16 11	20 12	16 11	16 11					
Process requests for administrative reviews of AD/CVD orders	Public good	# requests processed	211	225	225	225					
Conduct AD/CVD administrative reviews	Public good	# reviews conducted	105	121	121	121					
Initiate AD/CVD Sunset reviews	Public good	# reviews initiated	27	253	67	11					



INTERNATIONAL TRADE ADMINISTRATION

Exhibit 12A

TRADE PROMOTION  
PERFORMANCE MEASURE DEFINITIONS

1. **# Multilateral Meetings/Negotiations/Consultations:** The number of formal, scheduled contacts (meetings, negotiations, consultations) with representatives of more than one foreign government aimed at opening markets.
2. **# Briefing Papers Prepared:** Deleted.
3. **# Participations in Bilateral/Regional Negotiations:** The number of formal negotiations with representatives of one foreign government aimed at opening markets.
4. **# Participations in Commissions and Business Development Committees (BDC's):** The number of formal, scheduled meetings of trade commissions and business development committees aimed at opening markets, which ITA participates in.
5. **# Disputes Addressed:** The number of disputes between a U.S. firm or organization and a foreign government or foreign firm, where the aggrieved U.S. entity has petitioned the USG for assistance in resolving the matter. Also, the number of disputes between the USG and a foreign government or foreign firm.
6. **# Briefing Papers Prepared:** Deleted.
7. **# Counseling Sessions:** The number of telephone conversations (in excess of 15 minutes) and personal visits in which an ITA representative provides useful information to a U.S. firm or organization regarding export of its goods or services and/or relevant U.S. trade law.
8. **# Clients:** The number of individuals in U.S. firms and organizations using ITA's trade counseling services during a given fiscal year.
9. **% Satisfied Customers:** The percentage of clients who respond to either comprehensive or random ITA surveys as being "satisfied" or "very satisfied" with the utility of the trade counseling services they received.
10. **# Matching Services:** The number of "Matchmaker" program and "Gold Key" services provided to U.S. firms and organizations. (Services consist of customized overseas searches for potential agents, distributors, licensees, franchisees, and joint venture partners in a structured environment that facilitates "deal making").

11. **# Custom Agency Reports:** The number of custom-tailored reports ordered by U.S. firms and organizations, which precisely meet their stated trade information needs; e.g., Agent/Distributor Services (ADS) reports, Customized Market Analysis (CMA) reports, etc.
12. **% Satisfied Customers:** The percentage of clients who respond to either comprehensive or random ITA surveys as being "satisfied" or "very satisfied" with the utility of the "Matchmaker" and "Gold Key" program services and the Custom Agency Reports.
13. **# Reports Distributed:** The total number of paper or electronic documents, prepared by authorized ITA staffers, providing trade promotion and/or trade law enforcement information, supplied to ITA clients during a given fiscal year.
14. **# Trade Events:** The total number of trade events, which includes trade exhibitions, trade missions (Presidential, Secretarial, seminar, regular), reverse trade missions, trade fair certification events, Matchmaker trade delegations, multi-state and catalog exhibitions, "Commercial News U.S.A." events, International Buyer Program shows, panel displays, and all other events organized, co-sponsored or with substantial involvement by ITA.
15. **# Firms:** The total number of firms participating in all trade events organized, co-sponsored or with substantial involvement by ITA, conducted during a given fiscal year.
16. **% Satisfied Customers:** The percentage of firms which respond to either comprehensive or random ITA surveys as being "satisfied" or "very satisfied" with the utility of the *trade events*.
17. **# Projects:** The number of major foreign project or procurement contract opportunities developed by any of ITA's program units and registered with the Advocacy Center and tracked in its database during a given fiscal year. Projects sponsored and advocated by multilateral development banks should not be counted. Also, when there is a new development in a project from a prior year, each time advocacy is provided in the current fiscal year, credit should be taken.
18. **\$ Value:** The estimated dollar value of exports to be generated by the foreign projects and procurement contracts, or portions thereof, for which U.S. firms are competing/bidding -- as distinguished from the total value of the projects and procurements.
19. **% Satisfied Customers:** The percentage of firms competing for foreign project and procurement contracts which respond to either comprehensive or random ITA surveys as being "satisfied" or "very satisfied" with the utility of ITA's advocacy efforts.
20. **% Successful Projects Completed:** The percentage of foreign project and procurement contracts awarded to U.S. firms, as a result of ITA advocacy efforts, as compared to the total number of project and procurement contracts registered with the Advocacy Center and tracked in its database.

21. **# Agreements:** The number of Market Development Cooperator grant awards made by ITA during a given fiscal year.
22. **% Satisfied Customers:** The percentage of U.S. firms and organizations which respond to either comprehensive or random ITA surveys as being "satisfied" or "very satisfied" with the utility of the information and services they received through the Market Development Cooperator program.
23. **% Contribution from Cooperators:** The percentage of funds contributed by U.S. firms, as stipulated in their Market Development Cooperator grant awards, as compared to the total investment, i.e., Federal plus corporate contributions, during a given fiscal year.
24. **# New-to-Export Firms:** The number of U.S. firms or organizations, which made their first sales into a foreign market, with the assistance of ITA information, counseling, and documented export assistance services. The firm cited must not have exported in the last 24 months, or prior exports must have resulted from unsolicited orders, or have been received through a U.S.-based intermediary.
25. **# New-to-Market Firms:** The number of U.S. firms or organizations, with some existing level of export activity, which with ITA information, counseling, and documented export assistance services: (1) made sales into a new market, or (2) introduced a new product line into one of their existing markets. The firm cited must not have exported to a given market during the past 24 months or previous exports to a given market must have resulted from unsolicited orders, or have been received through a U.S.-based intermediary.
26. **\$ Gross Exports Supported:** The total dollar value of exports generated by U.S. firms and organizations, which have used either ITA information, counseling, or export assistance services. Data will be based on responses to either comprehensive or random ITA surveys and success stories.
27. **# Gross Jobs Supported:** The total number of estimated jobs generated by U.S. firms, which have used either ITA information, counseling, or export assistance services. Data will be based on latest available estimates of the number of jobs supported directly or indirectly by gross dollar value of exports.
28. **% That Actually Export:** The percentage of U.S. firms and organizations that made sales into foreign markets with the assistance of ITA information, counseling, and export assistance services; as compared to the total number of U.S. firms which have received ITA trade assistance, during a given fiscal year.
29. **#, \$ of Foreign Advocacy Offset :** The number and dollar value of foreign project and procurement opportunities, where although U.S. firms/bidders encountered aggressive foreign government lobbying or questionable competitive practices in bidding for international contracts, U.S. firms were, nonetheless, awarded contracts, thus neutralizing the foreign advocacy efforts.
30. **\$ Gross Exports Supported:** The estimated dollar value of exports generated by U.S. firms and organizations, with the assistance of ITA advocacy efforts. Data will be based on responses to either comprehensive or random ITA surveys and success stories.

31. **# Gross Jobs Supported:** The estimated number of jobs generated by U.S. exporting firms and organizations, which have received the benefits of ITA advocacy efforts. Data will be based on responses to either comprehensive or random ITA surveys and success stories.
32. **\$ Gross Exports Supported :** The estimated dollar value of exports generated by U.S. firms and organizations, which have enjoyed the benefits of the Market Development Cooperator Program. DATA will be based on responses to either comprehensive or random ITA surveys and success stories.
33. **# Gross Jobs Supported:** The total number of jobs generated by U.S. exporting firms and organizations, which have enjoyed the benefits of the Market Development Cooperator Program. Data will be based on responses to either comprehensive or random ITA surveys and success stories.
34. **\$ Value of Market Openings (\$B):** The dollar value of the markets which have been opened as a result of ITA's efforts in remedying trade compliance violations and resolving market access problems.

INTERNATIONAL TRADE ADMINISTRATION

TRADE LAW ENFORCEMENT (IA)

PERFORMANCE MEASURE DEFINITIONS

1. **#Potential Petitioners Counseled:** The number of parties (firms, associations, state and local governments) which have been counseled by Import Administration staff regarding procedures and requirements for filing AD/CVD petitions.
2. **(a) # AD/CVD investigations Conducted:** The number of AD/CVD investigations initiated and conducted.  
  
**(b) \$ AD/CVD Orders Issued to the U.S. Customs Service:** Affirmative determination in AD/CVD cases conducted by Import Administration, supported by injury determination made by International Trade Commission, result in AD/CVD orders which direct the U.S. Customs Service to collect assessments.
3. **# Requests for Administration Reviews Processes:** The number of AD company-specific and CVD country-wide requests for administrative reviews processed by Import Administration.
4. **# Administrative Reviews Conducted:** The number of AD company-specific and CVD country-wide administrative reviews conducted by Import Administration.
5. **# Sunset Reviews Initiated:** The number of AD/CVD orders, finding and suspended investigation initiated under the sunset provision contained within the Uruguay Round Agreements Act.
6. **# FTZ Applications Reviewed:** The number of applications processed for Foreign Trade Zone projects as well as zone expansions and subzones.
7. **# Duty-Free Applications Processed:** The number of application submitted by eligible nonprofit institutions for duty-free entry of scientific and research instruments, apparatus, and equipment for educational and scientific purposes.
8. **# Duty-Free Entries Monitored:** The umber of duty-free articles imported for use by disabled individuals.
9. **\$ Gross Exports (\$M):** The estimated annual value of merchandise exported to foreign countries from active foreign trade zones and subzones.
10. **# Gross Jobs Supported:** The estimated number of workers whose employment is believe to be supported by active foreign trade zones and subzones.
11. **\$ Duty-Free Scientific Equipment Imported and Made Available to U.S. Nonprofit Education/Research Institutions (\$M):** This is the estimated annual value of duty-free scientific and research instruments, apparatus and equipment for use by U.S. nonprofit education and research institutions.

12. **\$ Duty-Free Articles Imported to Improve the Quality of Life for Disabled Individual (\$K):** The estimated annual value of duty-free articles imported for the benefit and use of disable individuals.

**Department of Commerce**  
International Trade Administration  
Operations and Administration  
**SUMMARY OF RESOURCE REQUIREMENTS**  
(Dollar amounts in thousands)

Page  
No.

ITA- 21

**1999 Appropriation**

plus: Net 2000 Adjustments to Base  
less: Adjustment for unrequested Grants

**2000 Base**

plus: 2000 program changes

**2000 Estimate**

Positions	FTE	Direct Obligations	Budget Authority
2,518	2,283	285,014	285,014
0	15	7,238	7,238
0	0	(10,755)	(10,755)
2,518	2,298	281,497	281,497
136	85	23,934	23,934
2,654	2,383	305,431	305,431

			1998		1999		2000		2000		Increase/ (Decrease)		
			Actual		Currently Available		Base		Estimate		over '00 base		
Comparison by activity/subactivity:			Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount	
ITA- 35	Trade Development	Pos./BA	435	58,002	445	58,106	445	47,432	462	50,432	17	3,000	
		FTE/Obl.	372	58,515	402	59,990	402	47,432	415	50,432	13	3,000	
ITA- 57	Market Access and Compliance	Pos./BA	206	24,636	197	17,427	197	18,149	224	22,549	27	4,400	
		FTE/Obl.	168	22,076	177	25,287	177	18,149	197	22,549	20	4,400	
ITA- 77	Import Administration	Pos./BA	311	28,290	344	30,432	344	31,420	368	33,154	24	1,734	
		FTE/Obl.	265	28,654	305	31,327	311	31,420	329	33,154	18	1,734	
ITA- 95	U.S. & Foreign Commercial Service	Pos./BA	1,369	176,997	1,389	167,020	1,389	169,398	1,457	183,198	68	13,800	
		FTE/Obl.	1,175	190,336	1,256	181,690	1,265	169,398	1,299	183,198	34	13,800	
ITA-133	Executive Direction/Administration	Pos./BA	143	11,505	143	12,029	143	15,098	143	16,098	0	1,000	
		FTE/Obl.	135	11,283	143	13,328	143	15,098	143	16,098	0	1,000	
TOTALS			Pos./BA	2,464	299,430	2,518	285,014	2,518	281,497	2,654	305,431	136	23,934
		FTE/Obl.	2,095	310,864	2,283	311,622	2,298	281,497	2,383	305,431	85	23,934	
Adjustments for:													
	Recoveries			0		0		0		0		0	
	Unobligated balance, start of year			(27,752)		(16,114)		0		0		0	
	Unobligated balance, transferred					(10,493)		0		0		0	
	Unobligated balance, end of year			16,115		0		0		0		0	
	Unobligated balance expiring			204		0		0		0		0	
Financing from:													
	Transfers from other accounts			(16,514)		0		0		0		0	
	Transfers to other accounts			150		(350)		0		0		0	
Net Appropriation				283,067		284,665		281,497		305,431		23,934	
Anticipated Fee Collections										3,000			
Gross Appropriation										308,431			

**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**SUMMARY OF FINANCING**  
**(Dollar amounts in thousands)**

	1998	1999	2000	2000	Increase/
	Actual	Currently	Base	Estimate	(Decrease)
	Amount	Amount	Amount	Amount	Amount
Total Obligations	326,073	337,622	307,497	334,431	26,934
Financing:					
Offsetting collections from:					
Federal funds	(4,491)	(5,800)	(5,800)	(5,800)	0
Trust funds	0	0	0	0	0
Non-Federal funds	(10,718)	(20,200)	(20,200)	(23,200)	(3,000)
Recoveries	0	0	0	0	0
Unobligated balance, start of year	(27,753)	(16,115)	0	0	0
Unobligated balance, transferred	0	(10,493)	0	0	0
Unobligated balance, end of year	16,115	0	0	0	0
Unobligated balance lapsing	204	0	0	0	0
Budget Authority	299,430	285,014	281,497	305,431	23,934
Financing:					
Transferred to other accounts	150	0	0	0	0
Transferred from other accounts	(16,514)	(350)	0	0	0
Appropriation	283,066	284,664	281,497	305,431	23,934



**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
 ADJUSTMENTS TO BASE  
 (Dollar amounts in thousands)

<b><u>Adjustments:</u></b>	<b><u>FTE</u></b>	<b><u>Amount</u></b>
Restoration of Carryover	0	6,000
Fee Restoration	0	(1,400)
Restoration of FSN Voluntary Separation Trust Fund	0	10,493
Non-recurring Y2K Funds	0	(350)
Non-recurring costs related to Grant Programs	0	(10,755)
<b><u>Other Changes:</u></b>		
1999 Pay raise	0	1,083
2000 Pay raise	0	4,328
Full-year costs in 2000 of positions financed for part year in 1999	15	903
Within grade step increases	0	1,059
Civil Service Retirement System (CSRS)	0	(138)
Federal Employees Retirement System (FERS)	0	150
Thrift Saving Plan (TSP)	0	23
Federal Insurance Contributions Act (FICA) - OASDI	0	127
Health insurance	0	280
Employees Compensation Fund	0	255
Travel		
Per diem	0	0
Rental payments to GSA	0	368
Federal Telecommunications System (FTS)	0	32
Postage	0	55

	<u>FTE</u>	<u>Amount</u>
Printing and reproduction	0	60
Other Services:		
Working Capital Fund	0	2,931
Commerce Administrative Management System	0	(1,280)
NARA Storage Costs	0	17
Overseas wage increases FY 2000	0	736
Overseas price increases FY 2000	0	250
General Pricing Level Adjustment:		
Transportation of things	0	9
Rental payments to others	0	91
Communications, utilities, and miscellaneous changes	0	16
Other services	0	358
Supplies and materials	0	36
Equipment	0	50
Subtotal other changes	<u>15</u>	<u>11,799</u>
Total adjustments to base	<u>15</u>	<u>20,187</u>
Less, adjustments to base absorbed	<u>0</u>	<u>19,304</u>
TOTAL, adjustments to base	15	(3,517)

**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**JUSTIFICATION OF ADJUSTMENTS TO BASE**  
(Dollars amounts in thousands)

Exhibit 9

	<u><b>FTE</b></u>	<u><b>AMOUNT</b></u>
<u>Adjustments</u>		
Restoration of Carryover	0	6,000
One-time Fee Recovery	0	(1,400)
Restoration of FSN Voluntary Separation Trust Fund	0	10,493
Non-recurring Y2K Funds	0	(350)
Non-recurring costs related to Grant Programs	0	(10,755)
<u>Other Changes</u>		
Pay Raises		5,411
Full-year cost of 1999 pay increase and related costs:		
A pay raise of 3.1% is to be effective January 1999.		
Total cost in 2000 of 1999 pay raise .....	3,770,000	
Less amount funded in 1999 .....	2,715,000	
Less amount absorbed .....	<u>0</u>	
Amount requested in 2000 to provide full-year costs of		
1999 pay increase .....	1,055,000	
Payment to Working Capital Fund .....	<u>28,000</u>	
Total adjustment for 1999 pay increase .....	1,083,000	
 A general pay raise of 4.4% is assumed to be effective January 1, 2000		
Total cost in 2000 of pay increase .....	4,073,000	
Less amount absorbed in FY 2000 .....	<u>0</u>	
Amount requested for 2000 pay increase .....	4,073,000	
Payment to Working Capital Fund .....	<u>255,000</u>	
Total, adjustment for 2000 pay increase .....	4,328,000	

	<u>.FTE</u>	<u>AMOUNT</u>
Full-year cost in 2000 of positions financed for part - year in 1999 .....	15	903
An increase of \$902,879 is required to fund the full-year cost in 2000 of positions financed for part-year in 1999		
The computation follows:		
Annual salary of new positions in 1999 .....	53	2,029,603
1999 Pay raise .....		73,066
Less 5 percent lapse .....	(3)	(105,133)
Full year cost of personnel compensation in 20000 .....	50	1,997,536
Less personnel compensation in 1999 .....	(35)	1,338,000
Subtotal personnel compensation .....		659,536
2000 pay raise 3/4 of year .....		21,765
Benefits .....		221,878
Total adjustments to base .....	15	902,879
Within-grade step increase .....	0	1,059
An increase of \$ 1,058,535 is required to cover the cost of within-grade step increases. This estimate reflects the net cost of step increases including merit pay increases which will be earned in 2000.		
GS/GM:		
Estimated number of within-grade step increases .....	785	
Step increases not earned due to turnover (13.0% X 785) .....	107	
Average step above step 1 per separation .....	3	
Average cost per scheduled within-grade step increases .....	1,536	
Gross cost of scheduled step increases (\$1,536 X 785) .....	1,205,760	
.		
Less savings due to separations (\$1,536 X 107 X 3) .....	(493,056)	
Subtotal, personnel compensation .....	712,704	
Benefits .....	116,772	
Total, adjustment- to-base GS/GM .....	829,476	
Foreign Service:		
Estimated number of within-grade step increases .....	115	
Step increases not earned due to turnover (7.2% X 8) .....	8	
Average step above step 1 per separation .....	3	

	.....	<u>FTE</u>	<u>AMOUNT</u>
Average cost per scheduled within-grade increases .....	2,035		
Gross cost of scheduled step increases (\$ 2,035-X 115)	234,025		
Less savings due to separations (\$2,035 X 8 X 3)	(48,840)		
Subtotal, personnel compensation	185,185		
Benefits	43,874		
Total, Adjustment-to-Base Foreign Service	229,059		
Total, adjustment-to-base within-grade step increases	1,058,535		
<u>Civil Service Retirement System (CSRS).</u> .....		0	(138)
<p>The number of employees covered by the Civil Service Retirement System (CSRS) continues to drop as positions become vacant and are filled by employees who are covered by the Federal Employees Retirement System (FERS). The estimated percentage of payroll for employees covered by CSRS will drop from 40.1% in 1999 to 39.0% in 1999 for regular and foreign service employees. Contribution rates will be 8.51% for regular employees and 8.51% for foreign service employees.</p>			
Regular: .....			
2000 \$84,764,000 x .390 x .0851 .....	2,813,232		
1999 \$84,764,000 x .401 x .0851 .....	2,892,580		
Subtotal. ....	(79,348)		
Foreign Service:			
2000 \$19,993,000 x .390 x .0851 .....	663,548		
1999 \$19,993,000 x .401 x .0901 .....	722,349		
Subtotal .....	(58,801)		
Total adjustment to base .....	(138,149)		
<u>Federal Employees Retirement System (FERS).</u> .....		0	150
<p>The number of employees covered by FERS continues to rise as employees covered by CSRS leave and are replaced by employees covered by FERS. The estimated percentage of payroll for employees covered by FERS will rise from 59.9% in 1999 to 61.00% in 2000 for</p>			

regular and foreign service employees. The contribution rate will be 10.7% in 2000 for regular employees. For Foreign service employees, the contribution rate will be 23.04 in 2000.

Regular:

2000 \$84,764,000 x .610 x .107 .....	5,532,546
1999 \$84,764,000 x .599 x .107 .....	<u>5,432,779</u>
Subtotal .....	99,767

Foreign Service:

2000 \$19,993,000 x .610 x .2304 .....	2,809,896
1999 \$19,993,000 x .599 x .2304 .....	<u>2,759,226</u>
Subtotal .....	50,670

Total adjustment to base. . . . .	150,437
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Thrift Savings Plan (TSP)

0 23

The cost of agency contributions to the Thrift Savings Plan will also rise as FERS participation increases. The contribution rate is expected to remain at 2%.

Regular and Foreign Service:

2000 \$104,757,000 x .610 x .02	1,278,035
1999 \$104,757,000 x .599 x .02	<u>1,254,989</u>

Total adjustment to base	23,047
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Federal Insurance Contribution Act (FICA)

0 127

As the percentage of payroll covered by FERS rises, the cost of OASDI contributions will increase. In addition, the maximum salary subject to OASDI tax will rise from \$70,725 in 1999 to \$73,275 in 2000. The contribution rate will remain 6.2% in 2000.

	<u>FTE</u>	<u>AMOUNT</u>
Regular:		
2000 \$84,764,000 x .610 x .9700 x .062	3,109,601	
1999 \$84,764,000 x .599 x .9600 x .062	<u>3,022,047</u>	
Subtotal	87,554	
Foreign Service:		
2000 \$19,993,000 x .610 x .9120 x .062	689,595	
1999 \$19,993,000 x .599 x .9120 x .062	<u>677,160</u>	
Subtotal	12,435	
Other than Permanent; Regular Salaries		
2000 \$26,568,000 x .6100 x .620	974,658	
1999 \$26,568,000 x .5990 x .620	<u>947,215</u>	
Subtotal	27,443	
Total Adjustment to Base	127,432	
<u>Health Insurance</u> . . . . .	0	280
Effective January 1998, this bureau's contribution to Federal employees' health increase premiums increased by 7.3% Applied against the 1999 estimate of \$3,831,000, the requested increase is \$279,663.		
<u>Employees Compensation Fund</u> .....	0	255
<u>Rental Payments to GSA</u> . . . . .	0	368
An \$367,796 increase reflects an anticipated rate increase of 2.6% in FY 2000 for GSA rent from the General Services Administration. This percentage was applied to the base estimate of \$14,146,000.		
<u>National Archives and Records Administration</u> . . . . .	0	17
An increase of \$17,000 is requested to fund ITA's costs for the National Archives and Records Administrative storage costs.		
<u>Federal Telecommunications System</u>		
An increase of \$31,801 is requested due to the rate increase of 4.9%. The rate increase was applied to the FY 1999 estimate of \$649,000. . . . .	0	32

	<u>FTE</u>	<u>AMOUNT</u>
<u>Postage (U.S.P.S)</u>		
The average rate increase for postage is estimated at 3.0%. This rate increase was applied to the FY 1999 estimate of \$1,845,000 result of an increase of \$55,350. ....	0	55
<u>GPO Printing</u> .....	0	60
GPO has provided an estimated rate increase of 3.1%. This percentage was applied to the 1999 domestic printing estimate of \$1,934,000 to arrive at an increase of \$59,954.		
<u>Working Capital Fund</u> .....	0	2,931
An increase of \$2,931,000 is required to fund cost increases in the Department working capital fund to maintain the current level of operations and transfer of CAMS.		
<u>Commerce Administrative Management System.</u> .....	0	(1,280)
An adjustment of \$1,280,000 is requested to reflect a decrease in costs in the Department-wide Commerce Administrative Management System (CAMS) and transfers to Working Capital Fund.		
<u>Overseas Wage Increases FY 2000.</u> .....	0	736
The FSN salary increase is for wage adjustments in 64 countries based on calculations using econometric forecasting methodology. The FY 1999 fiscal plan amounts for each country are determined. Econometric forecasting is then utilized to determine two components by country: A) the percentage change in wages; and B) the forecasting of FY 1999 and FY 2000 exchange rates. This data is then converted into an anticipated percentage increase factor for wages. In cases where data is unavailable, historical information is utilized to obtain a percentage factor. Once percentage factors are chosen for each country, the total \$436,215 is utilized as the anticipated adjustment to base.		
Step 1: Fiscal Plan FSN wages are calculated including benefits .....		
Step 2: Econometric modeling determines:		



	<u>FTE</u>	<u>AMOUNT</u>
A: Percentage increase in wages; and		
B: Forecast of FY 1999 and FY 2000 exchange rates.		
Step 3: Econometric modeling utilizing the data above determines a percentage factor to forecast an adjustment to base for FY 2000.		
Adjustment to Base Overseas Wage Increase for 2000 of \$250,122.		
<u>Overseas Price Increase FY 2000.</u> . . . . .	0	250
The overseas price increase is based on anticipated overseas price increases in 1999 of the countries in which ITA conducts operations. The percentages used were obtained via the same methodology outlined for the Foreign Service Nationals Wage increases.		
Step 1: Fiscal Plan increases for Other Objects, FAAS, Temporary Living Allowances, and U.S. Allowances are calculated.		
Step 2: Econometric modeling determines:		
A: Percentage increase in prices; and		
B: Forecast of FY 1999 and FY 2000 exchange rates.		
Step 3: Econometric modeling using the data determines a percentage factor to forecast an adjustment to base for FY 2000.		
Adjustment to Base Overseas Price Increases for 2000 of \$1,659,136.		
<u>General Pricing Level Adjustment</u> . . . . .	0	560
This request applies OMB economic assumptions for 2000 to sub-object classes where the prices that the Government pays are established through the market system. Factors are applied rental payment to other (\$90,530); to transportation of things (\$8,990); communications, utilities, and miscellaneous charges (excluding postage) (\$16,650); other services (excluding DOC's GA and WCF Payments) (\$357,690); Supplies		

and materials (\$35,630); and equipment (\$50,030). The total 2000 ATB requested is \$559,520.

	<u>.... FTE</u>	<u>AMOUNT</u>
Total, Other Changes .....	0	11,799
Subtotal Adjustments to Base .....	15	15,787
Less Adjustment to Base Absorbed .....	<u>0</u>	<u>(19,304)</u>
Total, Adjustments to Base .....	15	(3,517)

**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS**  
**(Dollar amounts in thousands)**

Exhibit 10

Activity: **International Trade Administration**  
 Subactivity: **Trade Development**

		1998		1999		2000		2000		Increase/	
		Actual		Currently Available		Base		Estimate		(Decrease)	
		Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount
<u>Line Item</u>											
Management and Policy	Pos./BA	77	8,490	86	8,695	86	8,557	90	9,057	4	500
Coordination	FTE/Obl.	71	11,402	76	9,050	76	8,557	79	9,057	3	500
Sectoral Analysis	Pos./BA	308	43,302	309	43,190	309	32,621	322	35,121	13	2,500
	FTE/Obl.	263	42,710	281	44,508	281	32,621	291	35,121	10	2,500
Trade and Economic	Pos./BA	50	6,210	50	6,221	50	6,254	50	6,254	0	0
Analysis	FTE/Obl.	38	4,403	45	6,432	45	6,254	45	6,254	0	0
Direct Obligations											
	<b>Pos./BA</b>	435	58,002	445	58,106	445	47,432	462	50,432	17	3,000
	<b>FTE/Obl.</b>	372	58,515	402	59,990	402	47,432	415	50,432	13	3,000

**Department of Commerce  
International Trade Administration  
Operations and Administration**

**JUSTIFICATION OF PROGRAM AND PERFORMANCE FOR  
TRADE DEVELOPMENT**

**Goals and Objectives for FY 2000**

**Goals:** The following Trade Development goals relate to the Department of Commerce's Strategic Theme #1 from the Department's Strategic Plan.

- o To increase U.S. exports by strengthening advocacy and trade promotion and by increasing assistance to small- and medium-sized enterprises.
- o To increase America's competitiveness in the world economy by advancing U.S. exporters' interests in foreign markets.

**Objectives:** Trade Development (TD) focuses on the capabilities of, and challenges facing U.S. industry. TD's industry expertise -- which is found nowhere else, inside or outside the Federal Government -- is of immense value to U.S. companies seeking to obtain greater access to foreign markets and to increase their foreign market share.

TD industry analysts use their expertise to implement a number of activities to advance the Trade Promotion Coordinating Committee's (TPCC) goals outlined in the National Export Strategy:

- o provide aggressive, coordinated, high-level U.S. Government advocacy to level the playing field on behalf of U.S. exporters in the global competition for foreign projects and contracts;
- o play a major role in negotiating and enforcing compliance with international sectoral trade agreements leading to the opening of world markets to U.S. goods and services;
- o build effective public/private partnerships for sectoral initiatives to achieve success in the highly complex international marketplace of the 21<sup>st</sup> century;
- o articulate the concerns, interests and needs of U.S. industries to U.S. government officials engaged in multilateral and bilateral trade negotiations;
- o provide industry-specific analyses to ensure that trade agreements result in benefits for American industry and the U.S. economy;
- o produce quality, customer-driven analyses and promotional activities to identify trade, finance and investment opportunities, discern positive and negative factors influencing U.S. competitiveness in foreign markets and assist U.S. firms in furthering their export marketing objectives; and
- o provide timely and accurate sectoral information to ITA's domestic and foreign field networks to increase their ability to provide higher quality export promotion and finance programs to American firms.

**Base Program**

**Management and Policy Coordination:** This area provides central management, through the authority of the Assistant Secretary, to ensure policy and program consistency throughout TD and ITA. It includes the immediate staff of the Assistant Secretary, the Office of Planning, Coordination and Resource Management (OPCRM), the Office of Export Promotion Coordination (OEPC), and the Advocacy Center.

OPCRM coordinates and facilitates the development and implementation of goals and strategic plans for TD's sectoral initiatives; prepares cross sectoral economic policy analyses; manages assignments for the Assistant Secretary, including reports requested by other agencies; develops methodologies to evaluate TD programs and services; and leads TD's efforts to develop performance measures that comply with the Government Performance and Results Act of 1993.

OPCRM also operates the Market Development Cooperator Program (MDCP). The MDCP is a competitive matching grant program that provides Federal assistance to non-profit export multipliers such as states, trade associations, chambers of commerce, world trade centers and other industry groups that are particularly effective in reaching and assisting small- and medium-sized businesses. MDCP awards help to underwrite the start-up costs of exciting new export marketing ventures which these groups are often reluctant to undertake without Federal Government support. The MDCP recognizes that pooling Federal, state and private resources will have a synergistic effect in the international marketplace. Since its inception, the MDCP has generated (or will generate by the conclusion of currently funded projects) over \$1.7 billion of U.S. exports (based on Cooperator annual reports). Tens of thousands of SMEs have taken initial or additional export actions as a result of their participation in MDCP project activities. The MDCP has been a potent catalyst to spur private sector investment in export marketing. When funded projects are completed, the private sector will have invested over \$34 million to develop foreign markets. The MDCP delivers a return on investment of over \$200,000 in exports for every Federal dollar invested.

OEPC provides central direction to TD's export promotion program which includes analyzing comparative export potential for U.S. products in overseas markets for use by ITA and other Federal Government staff and for publications available to the public. It also includes helping TD's industry sectors evaluate export promotion activities; coordinating TD's trade event program with that of the rest of ITA; organizing cross sectoral trade events for special under-represented SMEs and women and minority owned firms; assisting cross sectoral trade intermediaries in publicizing export-related information and resources to new exporters; developing new trade promotion and export information programs; training and guiding ITA staff in selecting and carrying out activities tailored to specific markets and industries; and coordinating special customer-driven overseas export promotion initiatives.

OEPC manages the Trade Information Center (TIC), which provides comprehensive Federal export assistance information via a toll-free line, 1-800-USA-TRADE. The TIC staff advise exporters, mostly small- and medium-sized businesses, on how to locate and use Government programs, guide them through the export process, and provide country and regional counseling, commercial information and referrals.

In an effort to identify U.S. industry's trade policy and promotion needs and concerns, OEPC manages a number of public/private partnership activities. These include (1) the Industry Consultations Program (including 17 Industry Sector and three Functional Advisory Committees on Trade Policy Matters, a Committee of Chairs, and a Trade Advisory Center); and (2) the President's Export Council. OEPC also administers a Small Business Program which ensures that small business needs are considered in trade policy and promotion decision-making, provides outreach to small- and medium-sized and women- and minority-owned businesses, and coordinates ITA's small business services. OEPC also works with a cross sectoral SME (small- and medium-sized enterprise) Market Development Cooperator to further its export activities.

The Advocacy Center helps U.S. exporters to win foreign government procurement contracts. In pursuit of this goal, the Advocacy Center performs several roles to assist the U.S. private sector. The Center works with TD sector offices, the Commercial Service, our U.S. embassies abroad, MAC country offices, TPCC member agencies, and U.S. bidders to determine the appropriateness of advocacy on particular bids and develops advocacy strategies for the projects. The Advocacy Center facilitates high level U.S. Government advocacy using various tools such as letters, telephone calls, visits and occasional trade missions. They systematically monitor pending U.S. advocacy projects worldwide.

### **Summary of Workload and Performance Data**

	<b><u>FY 1998</u></b> <b><u>Actual</u></b>	<b><u>FY 1999</u></b> <b><u>Estimate</u></b>	<b><u>FY 2000</u></b> <b><u>Estimate</u></b>
Advocacy projects receiving support . . . . .	590	600	610
Value of Advocacy projects undertaken (\$ billion) . . . . .	\$110	\$110	\$114
Market Development Cooperator Program Cooperative Agreements . . . . .	7	7	7
Contribution from Cooperators . . . . .	67%	67%	67%

**Sectoral Analysis**--The Sectoral Analysis subactivity promotes the interests of U.S. exporters in the following industry groups--(1) Basic Industries, (2) Service Industries and Finance, (3) Technology and Aerospace Industries, (4) Environmental Technologies Exports, (5) Textiles, Apparel and Consumer Goods Industries, and (6) Tourism Industries by:

- o analyzing and reporting on the status of covered industries in domestic and international markets;
- o developing trade policy initiatives, monitoring compliance with sectoral trade agreements and analyzing policy proposals from an industry perspective; and
- o carrying out international market development activities to facilitate U.S. firms' market penetration where a compelling need for Government help is identified.

U.S. exporters and potential exporters benefit from these efforts, both directly and indirectly, through improved program delivery from all providers of export information including Federal, state and local governments, private sector firms, and industry associations. TD's strong customer orientation allows it to sustain a strong link and balance between the three facets of its activities. TD's industry specialists establish productive relationships with sector-specific ISACs, trade associations and other industry organizations to ensure that industry views are considered in U.S. trade policy development.

TD's industry specialists are the Federal Government's experts on the status of, and prospects for, U.S. industries. They collect and analyze a variety of data, including production, costs, prices, financial and labor conditions, technological advances, distribution, markets (both foreign and domestic), trade patterns and other factors in order to understand and support U.S. industries. Based on their analyses of these data, TD industry specialists prepare forecasts for U.S. industries or industry sectors. Tourism Industries conducts primary data collection to provide market intelligence to SMEs, trade specialists, other trade agencies and the Bureau of Economic Analysis which uses the data in configuring the GDP and the U.S. trade balance.

Sector group industry specialists provide individual counseling by telephone, fax, e-mail, letter, and personal visits from U.S. companies which seek to incorporate the industry specialist's expertise into the company's marketing decision-making. TD staff have developed and maintain industry-specific home pages on the Internet, covering topics of interest to industry (e.g. data, trade events, contacts, etc.). In addition, staff speak at meetings, conferences, and seminars conducted by the private sector and by other governmental bodies.

In addition to the activities described above, TD industry specialists prepare a number of specific reports, including a minerals and mining study and forest products studies mandated by Congress; studies on the coal industry as part of the implementation of the National Coal Export Policy; studies and reports mandated by the International Security and Development Cooperation Act of 1985 (P.L. 99-83) and Section 126 of the Export Administration Act of 1985 (P.L. 99-64); analyses for the National Security Council on strategic stockpile substitution; and over 100 Strategic Stockpile Planning Reports prepared annually for the Federal Emergency Management Agency (FEMA). Under the Defense Production Act, the industry specialists conduct several mandatory surveys for use in Mobilization Planning. Special competitiveness studies and reports also are prepared, published and made available to industry, other government agencies, the Congress and the public on a regular basis.

Sector group industry specialists apply their extensive industry knowledge (and knowledge of industry perspectives on issues), including the data they have collected and analyzed, to a wide variety of policy-related activities. These activities include participating in the development of policy positions and negotiating strategies for use in multilateral and bilateral negotiations; providing analyses and policy development to support Administration initiatives to ensure compliance with trade agreements and the removal of unfair trade practices; managing advisory committees such as the Auto Parts Advisory Committee, the Environmental Technologies Trade Advisory Committee, etc; analyzing and commenting on (for the Administration's use) proposed product/services-specific trade legislation; making findings of reciprocal treatment in the application of excise taxes and customs duties for aviation supplies and equipment to provide air carriers exemption from these charges abroad; participating in trade negotiations where industry competence and knowledge are essential to achieving U.S. objectives; monitoring compliance with sectoral trade agreements; assessing obstacles, threats and opportunities regarding U.S. trade issues on an industry basis, including selective cross-industry analyses; and providing the data that defines what international travel exports and imports mean to the country and the states and cities within the U.S.

To support these efforts, the sector groups work closely with the seventeen Industry Sector Advisory Committees, consultative bodies made up of private-sector authorities which advise on policy issues affecting specific industries. The committee members, often company Presidents, CEO's or other high-ranking company and association officials, provide valuable industry insight and recommendations on particular policy issues and help ensure that industry's voice is heard in policy debates.

Examples of specific policy initiatives and trade negotiations to which sector group industry specialists continue to make an important contribution include:

- NAFTA implementation,
- the U.S.-China Joint Commission on Commerce and Trade,
- the U.S. -India Commercial Alliance,
- the U.S.-Japan Major Projects Agreement,
- the U.S.- Japan Automotive Agreement,
- the U.S. Japan Insurance Agreement,
- the U.S.- Korea Automotive Memorandum of Understanding,
- GATT Agreement on Trade in Civil Aircraft,
- U.S.-European Union Bilateral Agreement on Trade in Large Civil Aircraft,
- Space Launch Vehicle Agreements with Russia, Ukraine and China,
- the Japan Semiconductor Arrangement,
- the Japan Computer and Supercomputer Agreements,
- Information Technology Agreement implementation,
- textile trade agreements under the WTO Agreement on Textiles and Clothing,
- annual review of telecommunications trade agreement under Section 1377 of the 1988 Trade Act,
- Super 301, Special 301 actions, and Section 301,
- Organization for Economic Cooperation and Development (OECD) insurance committee deliberations,
  
- Aviation and maritime bilateral and multilateral negotiations,
- APEC EVSL (Early Voluntary Sectoral Liberalization),
- APEC Mutual Recognition Agreement (MRA) negotiations on telecommunications equipment, and
- WTO agreement on basic telecommunications services.

The sector groups also undertake a wide variety of international market development activities such as planning, organizing, and recruiting participants for trade promotion events overseas (trade missions, trade fairs, etc.) managed by the sectors and/or US&FCS overseas posts; supporting Business Development Committees and other similar bilateral groups (e.g. Russia, China, South Africa, India); organizing and/or participating in domestic export conferences and seminars to promote industry awareness of foreign

market opportunities; publishing industry-specific studies and other research on U.S. competitiveness in specific foreign markets; monitoring countertrade trends, publishing lists of commercial opportunities involving countertrade and representing Commerce at meetings of the Interagency Group on Countertrade; advancing the interests of the U.S. business community at meetings of the Eximbank and OPIC Boards of Directors; and administering the Export Trading Company Act of 1982, as well as implementing special initiatives in support of the ETC Act, U.S. export intermediaries and joint exporting on the part of U.S. firms, especially small and new-to-market companies.

### **Summary of Workload and Performance Data**

	<b><u>FY 1998</u></b> <b><u>Actual</u></b>	<b><u>FY 1999</u></b> <b><u>Estimate</u></b>	<b><u>FY 2000</u></b> <b><u>Estimate</u></b>
<b><u>Providing Information, Counseling and Export Assistance Services:</u></b>			
Counseling sessions . . . . .	52,289	54,277	55,906
Clients counseled . . . . .	49,322	52,345	55,473
Number of Custom Agency Reports . . . . .	470	493	546
Number of Reports distributed . . . . .	2,722	2,652	2,799
Number of trade events . . . . .	61	65	65
Number of firms . . . . .	1,331	1,418	1,418
<b><u>Negotiating Open Markets:</u></b>			
Number of multilateral meetings/negotiations/consultations . . . . .	275	319	346
Number of bilateral meetings/negotiations/consultations . . . . .	369	439	479
Number of Commission or Business Development Committee sessions . .	75	64	55
Disputes Addressed . . . . .	118	164	175

**Trade and Economic Analysis:** As ITA's primary unit for macroeconomic trade, international investment and inter-industry analysis and forecasting, Trade and Economic Analysis (TEA) conducts major economic studies to assist the Federal Government and private sector in developing and implementing export development activities and policies, and assesses the competitiveness of U.S. industries, especially the impact on international trade. TEA works in cooperation with the TD sector groups and other ITA units to combine methodological and issue-specific expertise.

TEA is responsible for U.S. Government representation, analysis and support for the OECD Industry Committee and coordination of DOC participation on the Committee on Foreign Investment in the United States (CFIUS), including the national security reviews mandated by the Exon-Florio provisions of the Omnibus Trade Act of 1988. On the basis of expert advice from TD industry specialists, TEA conducts high quality economic and trade analysis to ensure that U.S. industry interests are fully represented in trade policy initiatives. Senior decision makers in the Department, as well as the United States Trade Representative (USTR), rely on this analysis to set priorities and develop strategies. Specifically, TEA analysis supports the Administration's efforts to: (1) open foreign markets for U.S. exports in trade negotiations affecting more than one industry; (2) monitor and enforce existing trade agreements applicable to more than one industry; (3) implement U.S. trade statutes; and (4) improve the competitiveness of U.S. industry.

TEA provides analysis and information to various Commerce units, the entire U.S. Government trade community and the U.S. business community through a combination of computer-based delivery systems, microfiche and printed materials. The Trade Policy Information System (TPIS) supplies automated detailed trade and related economic data to the U.S. trade community. Additionally, TEA provides private sector and USG analysts with recent trade and economic data for the United States and its trading partners.



In a joint effort with a private sector participant, TEA develops, publishes and disseminates the new U.S. Industry and Trade Outlook, a successor to the annual U.S. Industrial Outlook. This publication provides historical and forecast data on a comprehensive set of U.S. industries and identifies the factors influencing sector developments.

TEA is also responsible for compiling and disseminating data on U.S. exports at the state and local levels, and on the Exporter Data Base (EDB), that identifies the numbers, export levels, industry focus, and geographic location of U.S. exporters. These data support multilateral and bilateral U.S. trade policy initiatives and the varied export development efforts of the U.S. Government, state and local agencies and private sector businesses.

TEA publishes analyses and data for a wide range of U.S. manufacturing and service industries. Study topics include competitive trade performance, international direct investment developments and prospects for U.S. exports and imports.

Finally, TEA maintains a comprehensive web site containing current and historical data on U.S. foreign trade and industry sectors, including the data formerly published in U.S. Foreign Trade Highlights, historical industry sector data published in the U.S. Industry and Trade Outlook and the Statistical Abstract of the United States, and state and metropolitan area export data.

#### **Summary of Workload and Performance Data**

	<b><u>FY 1998</u></b> <b><u>Actual</u></b>	<b><u>FY 1999</u></b> <b><u>Estimate</u></b>	<b><u>FY 2000</u></b> <b><u>Estimate</u></b>
Exon-Florio national security reviews of FDI transactions . . . . .	65	65	65
Number of data accessions using TPIS . . . . .	25,000	25,000	25,000
Trade reference room visitors . . . . .	1,200	1,200	1,200
Evaluations of U.S. Trade Performance . . . . .	12	12	12

**Department of Commerce**  
**International Trade Administration**  
**Trade Development**  
**INCREASE FOR FY 2000**  
**Commercial Infrastructure for the 21<sup>st</sup> Century**  
**(Dollar amounts in thousands)**

	<u>FY 2000 Base</u>		<u>FY 2000 Estimate</u>		<u>Increase</u>	
	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
<b>Sectoral Analysis. . . . Pos./BA.</b>	<b>309</b>	<b>32,621</b>	<b>322</b>	<b>34,621</b>	<b>13</b>	<b>2,000</b>
<b>FTE/Obl.</b>	<b>281</b>	<b>32,621</b>	<b>291</b>	<b>34,621</b>	<b>10</b>	<b>2,000</b>

**Commercial Infrastructure for the 21<sup>st</sup> Century (10 FTE + \$2,000,000)** - This Departmental technical assistance initiative, which includes efforts of the Office of the General Counsel (OGC), the U.S. Patent and Trademark Office (PTO), the Technology Administration's National Institute of Standards and Technology (TA/NIST), and the National Telecommunications and Information Administration (NTIA) and relies on the private sector for technical expertise, intends to develop commercial infrastructures in selected emerging economies. The initiative is not duplicative of U.S. Agency for International Development (AID) programs since it targets countries where AID does not operate similar technical assistance programs or where the initiative supplements such programs.

This initiative is consistent with the Department's goal to promote U.S. competitiveness in overseas markets and develop the market's export potential and with the President's National Export Strategy. It will strengthen trade advocacy as well as enforcement and compliance with U.S. and multilateral trade laws and agreements.

Economic sectors which the initiative covers are insurance, housing, finance, leasing, and project finance. Specifically, the proposed initiative seeks to hasten the implementation of comprehensive market based regulatory, tax and governance policies in the financial services sectors which are the necessary underpinnings for sustained economic growth. Enactment of market-based reforms in the insurance sector will expedite domestic capital formation, and attract foreign direct investment. Enactment of reforms in the leasing sector will facilitate access to foreign capital to fund the replacement of a country's aging industrial equipment. The two sectors, along with infrastructure financing, are critical to economic development, while housing finance fulfills critical social goals of governments. Economic growth and development of financial services sectors will generate additional export opportunities for U.S. manufacture exporters, such as building materials and capital goods firms, and for nonfinancial services exporters, such as engineering and architectural firms.

Important policy reform objectives that the proposed initiative will support and enhance in emerging markets include: (i) influencing legislative and regulatory policies addressing problems of domestic financial services providers; (ii) creating more effective, transparent and efficient corporate procedures; (iii) improving self-supervisory and oversight policies; and (iv) creating incentives for greater market discipline in the targeted sectors and for spurring competition. Such policy reforms would enhance the countries' compliance with international trade standards, hasten WTO accession and, by promoting free trade, expand trade and investment opportunities for U.S. firms.

The technical assistance to be provided to emerging market commercial enterprises by this initiative includes: (i) general training in the U.S. and in host countries and manual preparation; (ii) technical information on management and development of insurance products, as well as development of financial instruments or vehicles that could translate the benefit of cheaper Western capital into lower costs for lessees; (iii) enhanced awareness of the need for greater market discipline and transparency, e.g., via improved accounting practices, public disclosures, and corporate governance by shareholders; (iv) improved self-supervisory and oversight policies in the two sectors to limit the discretionary reach of public authorities; and (v) promoting cooperation between U.S. and emerging market enterprises in the development of commercial projects.

For the proposed project, Commerce's main role will be to act as the project manager, to serve as a catalyst to enlist the participation of other government agencies and private

sector organizations in the project, and to coordinate other USG agency program inputs to the project to use their expertise and to avoid duplication of efforts. Commerce will rely on the private sector's expertise to develop the program's curriculum and to provide the specialized training.

This initiative, to be managed by the Department's Service Industries and Finance (SIF) unit within ITA's Trade Development unit, will:

- draw on the experience with technical training in insurance and leasing acquired by the SIF-led Banking and Financial Services Subgroup of the U.S.-Russia Business Development Committee (BDC), and by the new technical assistance program, the International Insurance Technical Assistance Partnership (IITAP), which is being developed by SIF in conjunction with the International Insurance Foundation;
- engage experts from both the U.S. public and private sectors and be coordinated with technical assistance programs of other USG agencies, such as Treasury's programs for banking, USAID's and Fannie Mae's programs on housing finance, Commerce's Commercial Law Program, etc.;
- meet a number of Departmental priorities in emerging markets--most notably continuing aggressively to promote trade, foster market-based reforms, and advocate on behalf of American firms competing abroad--placing special emphasis on Latin America, Africa, Asia, Eastern Europe and the NIS;
- work with the American Society of Association Executives, the National Association of Manufacturers Associations Council and ITA client associations, to a government/industry task force to advise foreign private sector entities on how to start professional associations and to assist struggling associations to be of greater value to their constituencies. Topics covered will include association administration, marketing, membership development, representation to host governments, management of conferences, seminars, and exhibitions, etc. Assistance will be provided in the form of "how-to" publications, exchange programs, and on-site consultant services.

The beneficial results of market access openings has been clearly demonstrated by Mexico's accession to NAFTA. Technical training initiatives designed to increase the operational efficiency of emerging market enterprises have also proven to be a cost-effective means to enhance awareness of the need for greater market discipline and transparency, e.g., via improved accounting practices, public disclosures, and corporate governance by shareholders. As such, the initiatives strengthen domestic institutional frameworks, help raise supervisory standards, spur competition and promote the enactment of market-based legislative and regulatory reforms. These are all stated policy goals of the Administration, the U.S. Government and the TPCC.

#### **Performance Measures:**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Participation in bilateral/regional negotiations	6	7	8	8	8
Participation in Commissions and Business Development Committees	6	7	8	8	8
Number of Trade Events	4	5	7	10	12
Reports Distributed, e.g., texts, Internet page hits, CD-ROMS; etc.	10,000	11,000	12,100	13,300	14,650

#### **Costs and Benefits:**

Capitalized	25	25	25	25	25
Uncapitalized	1,975	2,209	2,209	2,209	2,209
Total	2,000	2,234	2,234	2,234	2,234
Budget Authority	2,000	2,234	2,234	2,234	2,234
Outlays	1,400	1,964	2,211	2,234	2,234
FTE	10	13	13	13	13

Department of Commerce  
International Trade Administration  
Operations and Administration  
**PROGRAM CHANGE PERSONNEL DETAIL**

Exhibit 14

Activity: **Trade Development**  
Subactivity: **Sectoral Analysis**  
Program Change: **Commercial Infrastructure for the 21st Century**

<u>Title:</u>	<u>Grade</u>	<u>Number</u>	<u>Annual Salary</u>	<u>Total Salaries</u>
International Trade Specialist	GS-14	1	68,570	68,570
International Trade Specialist	GS-13	3	58,027	174,081
International Trade Specialist	GS-12	4	48,796	195,184
International Trade Specialist	GS-11	3	40,714	122,142
Program Assistant	GS-07	1	27,508	27,508
Secretary	GS-06	1	24,754	24,754
Total		<u>13</u>		<u>612,239</u>
Less lapse	25.00%	<u>(3)</u>		<u>(153,060)</u>
Total full-time permanent:		10		459,179
2000 Pay Adjustment (4.4%)				<u>20,204</u>
<b>Total</b>				<b><u>479,383</u></b>

**Personnel Data**

Full-time Equivalent Employment:

Full-time permanent	<b>10</b>
Other than full-time permanent	<u>0</u>

<b>Total</b>	<b>10</b>
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Authorized Positions:

Full-time permanent	<b>13</b>
Other than full-time permanent	<u>0</u>

<b>Total</b>	<b>13</b>
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**Department of Commerce  
International Trade Administration  
Operations and Administration  
PROGRAM CHANGE DETAIL BY OBJECT CLASS  
(Dollar amounts in thousands)**

Exhibit 15

Activity: **Trade Development**  
Subactivity: **Sectoral Analysis**  
Program Change: **Commercial Infrastructure for the 21<sup>st</sup> Century**

<u>Object class</u>	<u>Increase</u>
11 Personnel compensation	
11.1 Full-time permanent	479
11.3 Other than full-time permanent	0
1.5 Other personnel compensation	0
11.8 Special personnel services payments	0
11.9 <b>Total personnel compensation</b>	<b>479</b>
12.1 Civilian personnel benefits (24.55%)	118
13.0 Benefits for former personnel	0
21 Travel and transportation of persons	107
22 Transportation of things	0
23.1 Rental payments to GSA	98
23.2 Rental payments to others	0
23.3 Communications, utilities and miscellaneous charges	24
24 Printing and reproduction	20
25 Other services	1,109
26 Supplies and materials	20
31 Equipment	25
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
<b>99 Direct obligations</b>	<b>2,000</b>

**Department of Commerce**  
**International Trade Administration**  
**Trade Development**  
**INCREASE FOR FY 2000**  
**Improved Tourism Industry Statistics**  
**(Dollar amounts in thousands)**

	<u>FY 2000 Base</u>		<u>FY 2000 Estimate</u>		<u>Increase</u>	
	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
<b>Sectoral Analysis. . . . Pos./BA.</b>	<b>309</b>	<b>32,621</b>	<b>309</b>	<b>33,121</b>	<b>0</b>	<b>500</b>
<b>FTE/Obl.</b>	<b>281</b>	<b>32,621</b>	<b>281</b>	<b>33,121</b>	<b>0</b>	<b>500</b>

**Improved Tourism Industry Statistics (0 FTE; \$500,000)** - This initiative allows the Administration to improve trade statistics and increase global competitiveness of U.S. companies. Funding at this level will contribute to both of these strategic goals through improved statistics and educational assistance on the utility of the statistical programs. The key statistical programs which will benefit from this increase are the In-Flight Survey of International Air Travelers and the development toward a permanent set of accounts for the nation's Travel and Tourism Satellite Accounts (TTSA's). Overall, the funding will yield more detailed data for use in the export efforts of small and medium sized enterprises (SMEs).

The data and analyses generated by Tourism Industries (TI) provide the only source of information on the international travel segment of the industry, which accounted for \$94 billion in services exports in calendar year 1997 (latest available data), leading all other services exports. Over 95 percent of the businesses in the travel and tourism industries are classified as SMEs, not unlike most of the service industries enterprises. Although of use to the larger enterprises in assessing their export expansion efforts, it is the smaller enterprises which need the trade data and guidance for international expansion.

The collection of comprehensive travel and tourism statistics is a Federal responsibility outlined in the U.S. National Tourism Organization Act of 1996. With states, cities and industry marketing the United States internationally, a major Federal role is to provide the statistical tools necessary for them to effectively expand international visitation (or tourism exports), thereby generating U.S. jobs. This funding increase will contribute to the comprehensive quality of the statistics generated by Tourism Industries.

In conjunction with the Immigration and Naturalization Service (INS) I-94 database, the In-Flight Survey of International Air Travelers is the key database for international travel to the United States. Combined, these databases provide information on traveler flows, behavior and expenditures. They are the fundamental resources used by the Bureau of Economic Analysis (BEA) to calculate the balance of trade as well as the contribution of international visitation to the Gross Domestic Product (GDP). These databases also represent the only source of information for the tourism development efforts of states, cities and private sector suppliers. The data are used extensively to evaluate performance of investments in international markets by destinations and industry sectors, and to identify opportunities to ensure U.S. global competitiveness.

The comprehensiveness of the data is weakened by the fact that the current level of the In-Flight Survey respondent base is too low for the more detailed analyses needed by SMEs, including destinations, to increase tourism exports. Increasing the number of respondents will provide 1) more comprehensive data to facilitate the tourism export efforts of second/third tier destinations and small and medium sized businesses by assessing the characteristics and impact of their international travelers and 2) more accurate statistics on the travel trade balance and the contribution of international visitation to GDP. An expanded respondent base will assist the Department to fulfill its mandate of providing comprehensive trade data for all user levels.

The Travel and Tourism Satellite Accounts represent a new federal statistical tool to assess the economic impact of both domestic and international travel in the United States.

In July 1998 prototype accounts were published by the Bureau of Economic Analysis (BEA). Developed in conjunction with Tourism Industries, they pave the way for the development of a permanent set of accounts for the industries. The permanency of the accounts will fulfill TI's responsibility to provide improved economic analysis of the impact of travel and tourism on the national, state and local levels. It will also fulfill a priority recommendation of the White House Conference on Travel and Tourism and the 1998 Tourism Policy Council Strategic Plan. These Accounts will serve as the primary source of information for federal tourism policy development and industry investment and development.

Additional funding for this program will maintain the current expertise and provide capabilities for such activities as extrapolating data to update the prototype Travel and Tourism Satellite Accounts into more current year data and to extend the estimates to regions and states. This funding will also contribute toward the development of a permanent set of accounts.

One of the critical challenges in meeting the requirement for improved and comprehensive statistics for the industry and export trade data is the education and outreach necessary to ensure full understanding and utility of these information resources. As we develop fuller and more accurate information programs, as outlined in this budget increase, it is crucial to "teach" and extend to all segments of our industries and users what these programs provide. The concept of the prototype Travel and Tourism Satellite Accounts is sophisticated, and requires extensive interpretation materials and seminars to ensure that the industry understands and uses these accounts for their policy and marketing decision-making.

**Performance Results:** Expansion of respondent base for the In-Flight Survey; expansion of detail from the prototype set of TTSA accounts; 10% increase in clients counseled; 20% increase in number of reports sold.

**Performance Measures:**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
# of clients counseled	306	337	371	408	449
#Reports sold	660	792	950	1,140	1,368

**Costs and Benefits:**

Capitalized	0	0	0	0	0
Uncapitalized	500	500	500	500	500
Total	500	500	500	500	500
Budget Authority	500	500	500	500	500
Outlays	350	450	500	500	500
FTE	0	0	0	0	0



**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
**(Dollar amounts in thousands)**

Exhibit 15

Activity: **Trade Development**  
 Subactivity: **Sectoral Analysis**  
 Program Changes: **Improved Tourism Industry Statistics**

		<b>FY 2000</b>
<u><b>Object class</b></u>		<u><b>Increase</b></u>
11	Personnel compensation	
11.1	Full-time permanent	0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	<b>Total personnel compensation</b>	<b>0</b>
12.1	Civilian personnel benefits (24.55%)	0
13.0	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25	Other services	500
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
<b>99</b>	<b>Direct Obligations</b>	<b>500</b>

**Department of Commerce**  
**International Trade Administration**  
**Trade Development**  
**INCREASE FOR FY 2000**  
**Automated Tariff Quick-service Program for Export Facilitation**  
**(Dollar amounts in thousands)**

	<u>FY 2000 Base</u>		<u>FY 2000 Estimate</u>		<u>Increase</u>	
	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
<b>Management and Policy Coordination. . . . Pos./BA.</b>	<b>86</b>	<b>8,557</b>	<b>90</b>	<b>9,057</b>	<b>4</b>	<b>500</b>
<b>FTE/Obl.</b>	<b>76</b>	<b>8,557</b>	<b>79</b>	<b>9,057</b>	<b>3</b>	<b>500</b>

**Automated Tariff Quick-service Program for Export Facilitation (3 FTE +\$500,000)** - The Tariff Quick-service Program will bring the U.S. Government's tariff/taxes and customs information services for exporters up-to-date and on par with those offered by the European Commission to European exporters. U.S. exporters need information on tariffs/taxes assessed on their goods by foreign countries quickly in order to quote prices to their customers and agents and monitor the price competitiveness of their products. Small and medium-sized enterprises without overseas offices or extensive research budgets rely on the Department for individual tariff/taxes rates, not readily available elsewhere. To better provide this information, ITA recently consolidated its country counseling and information services, including foreign duty rate information services within the Trade Information Center (TIC), which were previously dispersed among various country units. Exporters are now able to get country information as well as general export information by calling one number, 800-USA-TRADE. This has doubled the inquiries requiring personalized assistance by TIC trade specialists. The consolidation has made clear the need for more current and computer accessible tariff information, as well as a better way to meet the excessive demand and other information development needs of customers. The quick-service program will enable rapid retrieval of electronic tariff data and dissemination of this information by dedicated, relatively low-graded, staff, freeing more expert specialists for counseling and information development.

This increase request will enhance the accomplishment of the following DOC/ITA Strategic Themes, Goals and Objectives:

**STRATEGIC THEME 1 -- ECONOMIC INFRASTRUCTURE**

Build for the future and promote U.S. competitiveness in the global marketplace, by strengthening and safeguarding the nation's economic infrastructure.

**GOAL A**

Implement the President's National Export Strategy in conjunction with the Trade Promotion Coordinating Committee.

**OBJECTIVES**

! Increase trade assistance targeted to small- and medium-sized businesses.

Individual foreign tariff rates for most countries are not readily available in the United States to U.S. firms except through the Commerce Department. With only a few countries' tariff rates available over the Internet, and other electronic sources very expensive, the Department currently uses a clumsy process of looking up most tariff rates manually in often out-of-date tariff books. With this enhancement, the Department will contract for automated access to up-to-date tariff/import tax information for over 60 countries. This service is currently available to the European Commission, which makes information available to its exporters. The tariff quick-service should significantly cut response time to most of the estimated 18,000 tariff inquiries from U.S. entities received by the Department annually. This approach will also improve responsiveness

to exporters' other general export information requests by freeing senior staff to handle more complex inquiries, improve export information in electronic databases and prepare information for website publication.

**Expected results** include improved customer service with a cut in average response time from 3-5 days down to same or next day service for most inquiries under 15 items/countries.

**Performance Measures**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Tariff information updates	1	2	2	2	2
Response time for tariff information (in days):					
Requests for 1-15 items/countries	3-5	2-4	1-2	1-2	1-2
Requests for more than 15 items/countries	5-10	5-7	3-5	3-5	3-5
Country export databases developed/ updated on the Internet	0	1	2	2	2

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
<b><u>Costs and Benefits:</u></b>					
Capitalized	10	10	10	10	10
Uncapitalized	490	534	534	534	534
Total	500	544	544	544	544
Budget Authority	500	544	544	544	544
Outlays	350	481	540	544	544
FTE	3	4	4	4	4

**Department of Commerce  
International Trade Administration  
Operations and Administration  
PROGRAM CHANGE PERSONNEL DETAIL**

Exhibit 14

Activity: **Trade Development**  
Subactivity: **Management and Policy Coordination**  
Program Change: **Automated Tariff Quick-service Program for Export Facilitation**

<u>Title:</u>	<u>Grade</u>	<u>Number</u>	<u>Annual Salary</u>	<u>Total Salaries</u>
International trade specialist	GS-09	1	33,650	33,650
Trade assistant	GS-05	3	22,208	66,624
Total		<u>4</u>		<u>100,274</u>
Less lapse 25.00%		<u>(1)</u>		<u>(25,069)</u>
Total full-time permanent:		3		75,205
2000 Pay Adjustment (4.4%)				<u>3,309</u>
<b>Total</b>				<b>78,514</b>

**Personnel Data**

Full-time Equivalent Employment:

Full-time permanent	3
Other than full-time permanent	<u>0</u>
<b>Total</b>	<b>3</b>

Authorized Positions:

Full-time permanent	4
Other than full-time permanent	<u>0</u>
<b>Total</b>	<b>4</b>

**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
**(Dollar amounts in thousands)**

Exhibit 15

Activity: **Trade Development**  
 Subactivity: **Management and Policy Coordination**  
 Program Change: **Automated Tariff Quick-service Program for Export Facilitation**

<u>Object class</u>	<b>FY 2000</b> <u>Increase</u>
11 Personnel compensation	
11.1 Full-time permanent	79
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	0
11.9 <b>Total personnel compensation</b>	<b>79</b>
12.1 Civilian personnel benefits (24.55%)	19
13.0 Benefits for former personnel	0
21 Travel and transportation of persons	5
22 Transportation of things	0
23.1 Rental payments to GSA	30
23.2 Rental payments to others	0
23.3 Communications, utilities and miscellaneous charges	7
24 Printing and reproduction	4
25 Other services	341
26 Supplies and materials	5
31 Equipment	10
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
<b>99 Direct Obligations</b>	<b>500</b>

**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS**  
(Dollar amounts in thousands)

Exhibit 10

Activity: **International Trade**  
Subactivity: **Market Access and Compliance**

		1999									
		1998		Currently		2000		2000		Increase/	
		Actual		Available		Base		Estimate		(Decrease)	
		Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount
Market Access and Compliance											
Management and Policy											
Coordination	Pos./BA	11	1,516	11	1,216	11	1,209	11	1,209	0	0
	FTE/Obl.	8	1,838	9	1,272	9	1,209	9	1,209	0	0
Trade Compliance and Regional	Pos./BA	195	23,120	186	16,211	186	16,940	213	21,340	27	4,400
	Market Access	FTE/Obl.	160	20,238	168	24,015	168	16,940	188	21,340	20
Direct Obligations	Pos./BA	206	24,636	197	17,427	197	18,149	224	22,549	27	4,400
	FTE/Obl.	168	22,076	177	25,287	177	18,149	197	22,549	20	4,400

**Department of Commerce  
International Trade Administration  
Operations and Administration  
JUSTIFICATION OF PROGRAM AND PERFORMANCE FOR  
MARKET ACCESS AND COMPLIANCE**

Goals and Objectives for FY 2000

**Goals:** The Department of Commerce's Market Access and Compliance (MAC) unit is the U.S. Government's focal point for increasing market access for non-agricultural U.S. exports. MAC is the place within the U.S. Government's compliance diversion where U.S. companies, especially small- and medium-sized enterprises (SMEs), bring their problems in exporting abroad and seek U.S. Government assistance in overcoming the barriers they encounter. MAC's goal is to expand U.S. exports and enable U.S. firms to compete by identifying obstacles to U.S. exports, including failure of foreign governments to implement or comply fully with trade agreements; developing strategies for removing the obstacles; and marshaling U.S. Government resources to eliminate the barriers and ensure compliance with trade agreements.

**Objectives:** MAC achieves its goals by: (1) identifying, analyzing, and prioritizing market barriers to U.S. exports; (2) developing action strategies for removing the market obstacles; (3) working with the U.S. Trade Representative (USTR) and other agencies to implement the strategies; (4) monitoring compliance with all U.S. non-agricultural trade agreements; and (5) working to remedy failures by foreign governments to implement and comply fully with those agreements. In pursuing its goal of leveling the playing field for U.S. exporters, MAC works closely both with U.S. firms, particularly small- and medium-sized enterprises, business associations and with other parts of the U.S. Government. MAC analyzes the obstacles, develops strategies to utilize U.S. Government resources to bring leverage on foreign governments to remove the barriers, and coordinates implementation of the strategies.

**Base Program**

In a FY 1997 Congressionally approved restructuring, Market Access and Compliance (MAC) was formed out of the International Economic Policy unit and given authority to focus on obtaining greater market access for U.S. companies by eliminating barriers to U.S. exports overseas and by ensuring compliance with trade agreements negotiated by the United States. As of mid-FY 1998, MAC's staff had already analyzed 563 market access complaints and generated/supported \$1.4 billion in U.S. exports.

While MAC sometimes implements the market access strategies it develops on its own, generally the removal of foreign barriers requires an interagency cooperative effort. When this is the case, MAC is the planner and coordinator of these activities. In addition to working closely with other parts of International Trade Administration (ITA) and Commerce, MAC works on a daily basis with USTR, State Department units, U.S. embassies abroad --including the economic officers as well as the U.S. and Foreign Commercial Service (US&FCS) -- and other parts of the U.S. Government. MAC also supports activities initiated by USTR, frequently providing the bulk of the analysis, expertise, and staff support needed to achieve negotiating objectives.

MAC is especially oriented to SMEs that lack the time and resources to determine their market access rights. It is the source to which these companies turn to obtain U.S. Government assistance to combat market access problems and unfair barriers. MAC reaches out to business groups to ensure they obtain the full benefit of trade agreements negotiated by the U.S. Government. MAC is extending its outreach through use of Internet and other informational services making it easier than ever for companies, especially SMEs, to overcome the obstacles faced in foreign markets. MAC is emphasizing specialized, in-depth support of firms facing market access problems.

MAC achieves its objectives principally through two activities: Regional Market Access and Trade Compliance.

**Regional Market Access:** MAC's regional units are: (1) Africa and the Near East; (2) Asia and the Pacific (excluding Japan); (3) Europe (including Central Europe and the NIS); (4) Japan; and (5) Western Hemisphere (including NAFTA). Each of these units expands export opportunities by solving market access problems, working directly with individual U.S. companies suffering specific cases of market access difficulties; devising strategies for remedying market access deficiencies; and coordinating U.S. Government agency efforts to implement the strategies. In addition, MAC's regional units manage Commerce's bilateral business development commissions and similar institutions; and participate in international trade conferences, events, and missions to advocate for U.S. exports and assess barriers, threats and opportunities for U.S. exports, investment and intellectual property rights (IPR).

MAC's regional units also provide the technical knowledge and detailed expertise needed for U.S. trade agreement negotiating teams led by USTR. MAC produces the market barrier analyses, develops the detailed understanding of the technical problems and obstacles, and conducts the economic and commercial analyses necessary for successfully negotiating trade agreements. MAC participates in most U.S. trade negotiations, directly supporting USTR. MAC also develops commercial facilitation initiatives -- initiating and participating in the development of commercial policy positions and negotiations for use in multilateral and bilateral negotiations.

MAC provides a unique service for smaller exporters that cannot afford the resources to deal directly with foreign governments on their own. Without assistance, when SMEs encounter foreign barriers, such as customs officials telling them their products don't comply with local regulations, generally they drop out of the market because the time and expense of solving these problems is more than they can afford. MAC provides this service for them, using its knowledge of foreign government procedures and knowing how to marshal U.S. government resources such as U.S. embassy economic officers. MAC has helped hundreds of small companies understand and operate successfully under foreign government regulations and has helped small companies obtain their intellectual property rights when their copyrights were being stolen by foreign companies. Without MAC's assistance, most small U.S. companies have nowhere else to turn.

The successful elimination of market access obstacles or the creation of new market opportunities by opening markets formerly closed to U.S. exporters can result in huge amounts of added U.S. exports. Examples of MAC's Regional Market Access accomplishments include:

- ***Mutual Recognition Agreements (MRA's)***--MAC initiated, staffed, and led the Mutual Recognition Agreement negotiations with the European Union (EU), which were signed in May 1998. MAC developed the negotiating strategies, worked with U.S. regulatory agencies and U.S. business, and provided the technical expertise for the negotiations. The MRA will eliminate duplicate testing and certification costs between the United States and Europe for products comprising over \$50 billion of two-way U.S. trade -- generating market entry cost reductions of \$500 million for U.S. companies. This is a particular boon for smaller exporters, who found the cost of complying with European Union product certification requirements shut many of them out of the market. The difficulty now lies in implementing the agreements, which are extraordinarily technical and complex, and educating U.S. firms on how to use them -- both labor intensive endeavors. The MAC-led negotiating team is also discussing with the EU the possibility of expanding the MRAs to include additional product sectors.
- ***Transatlantic Business Dialogue (TABD)***--MAC initiated this enormously successful private-public initiative bringing together the U.S. and European business communities and government officials to identify industry's priorities for market-opening measures. The TABD has provided critical momentum for a string of historic agreements, including: the MRA (see above); the Information Technology Agreement to eliminate tariffs for information technology products among signatory countries by the year 2000; and the Global Agreement to harmonize automotive standards across national boundaries. The Information Technology Agreement alone covers \$500 billion in global trade and \$100 billion in U.S. exports.



- ***Japanese Deregulation of Medical Devices and Pharmaceuticals***--MAC successfully intervened to impede Japan's adoption of a new pricing system for pharmaceuticals and prevent drastic cuts to reimbursement prices for numerous devices and drugs. MAC gained Japanese commitments to reduce its approval times for new drugs by one-third, and substantially expand the acceptance of foreign clinical data for the approval of new medical devices and pharmaceuticals. Faster drug approvals mean millions of dollars of added U.S. exports, and wider acceptance of foreign clinical data will significantly reduce the time and expense U.S. firms must devote for new product testing and approval.
  - ***Construction Market in Japan***--MAC's Japan office leads U.S. Government efforts to open Japan's massive construction market under our bilateral construction agreements. Following MAC's sustained efforts this year, U.S. companies won contracts as prime contractors for construction, consulting, and civil engineering projects for the first time in Japan. MAC was also instrumental in U.S. companies winning a share of the first procurement for the \$7-billion dollar Central Japan International Airport. As a direct result of MAC's work this year, U.S. firms won over \$50 million in construction contracts.
  - ***Mexican Labeling Regulations***--U.S. beer exports to Mexico were halted in 1998 by a dispute over what should be on bottle and can labels. MAC's efforts resulted in the Mexican Government permitting the resumption of beer exports by Miller Brewing Company and Stroh's Brewing Company while Mexico clarified new labeling requirements. The companies' rapidly growing exports, which had been estimated to top \$14 million this year, had been blocked until MAC intervened.
  - ***Paper Exports to Eastern Europe***--MAC obtained a tariff waiver from the Czech Republic allowing \$5 million of paperboard exports from a plant in Covington, VA, that would otherwise have been sold by European companies with tariff preferences in the Czech market.
  - ***Saudi Arabian Trade Regulations***--MAC helped a California company obtain a \$19 million sale of a water treatment plant in Saudi Arabia that had been going nowhere because of unclear rules.
  - ***Packaging Rules***--MAC kept a small Auburn, Indiana, firm from being shut out of its European markets by a change in import regulations that would have threatened 350 jobs. MAC worked for over two years on behalf of the company to see that European standards became broad enough to include the American company's packaging products -- and finally succeeded.
  - ***"Metric Only Labels"***--MAC got the EU to delay until 2010 rules that would have prohibited American exporters from using "dual labels"(in English and metric measurements) thereby requiring them to produce costly different labels and packaging for their European products -- raising the cost of exporting, and driving many smaller U.S. companies out of the market.
- S ***Copyright Pirating***--MAC kept a Poulsbo, WA, firm in the Asian market by convincing the Singapore Government to stop a local company from selling pirated versions of the U.S. firm's directory of importers. Until MAC stepped in, the firm said they got nowhere because they were "a small company without any clout."

**Trade Compliance:** The Trade Compliance Center (TCC) ensures compliance with approximately 250 trade agreements negotiated by the United States. The trade agreements database is available on the Internet to U.S. users and dramatically improves the ability of U.S. exporters to use trade agreements and market openings. Companies are able to compare the access they are receiving with what they should actually be getting, and are in a better position to inform MAC of probable violations or failure to implement agreements. The TCC sees that each agreement is being monitored and that monitoring reports are produced on a set schedule. It obtains information from U.S. business, MAC regional units, other parts of Commerce, and U.S. embassies overseas regarding potential failures to implement and adhere to agreements fully, and

works with the USTR Trade Enforcement Center to resolve compliance violations expeditiously.

MAC country desk officers, Trade Development industry sector officers and others have been named as Designated Compliance Officers to ensure that each agreement is being monitored by an individual responsible for evaluating compliance and for reporting problems to the TCC. Regular reports on possible compliance violations are being produced by the TCC for use by USTR and other agencies. The TCC has been working on a number of apparent compliance violations and also is producing background information and detailed analyses needed before cases can be taken to the World Trade Organization (WTO) for remedial action.

The TCC has begun to monitor Asian country compliance with the trade-related aspects of the International Monetary Fund (IMF) assistance programs, and is the focal point for developing additional trade-related measures to be provided to the IMF in discussing additional assistance efforts. The TCC has uncovered and has raised for resolution failure to comply with the IMF's requirements. The TCC is also beginning to monitor foreign country compliance with the OECD anti-bribery convention. The TCC's Internet service and other sources have led to several score of business complaints on market access, each of which has been investigated, and those which appear to be violations are being raised with foreign governments.

The Multilateral Affairs function which is operated in conjunction with the TCC focuses on WTO and OECD activities (such as the OECD's agreement that industrialized nations should join the United States in criminalizing bribery of foreign officials), and the NAFTA Secretariat, which was created by the NAFTA legislation of 1994 and administers a permanent panel review system under NAFTA Chapter 19 (AD/CVD cases) and Chapter 20 (government-to-government).

**Management and Policy Coordination:** This Subactivity provides management guidance and coordination of MAC activities through the Assistant Secretary for MAC. It ensures coordination of all MAC units and a dynamic goal orientation towards trade compliance, market access, and commercial policy analyses in support of ITA's mission. It also provides guidance in selecting and carrying out activities tailored to specific markets and agreements. It oversees the development and implementation of market access policies and programs including bilateral, multilateral and regional trade and investment policies and programs; and aligns trade objectives with U.S. foreign commercial policy.

With regard to the latter, MAC ensures that U.S. foreign policy activities are in harmony with supporting U.S. exports and jobs. MAC works with other U.S. Government agencies to encourage foreign policy and assistance programs to include a role for expanding U.S. business in economic development programs. MAC also maintains aggressive outreach through the Internet and other means to alert U.S. business to specific opportunities opened by U.S. policy and assistance programs. MAC has had significant success in expanding U.S. exports while supporting U.S. Government foreign policy initiatives in South Africa, Northern Ireland, Bosnia/Croatia, Haiti, Central and Eastern Europe, and Russia and the other Newly Independent States. MAC's actions have generated U.S. exports while simultaneously supporting the development of a stronger market-oriented economic system in these areas of the world, contributing both to U.S. economic goals and global stability.

**Summary of Workload and Performance Data**

	<b><u>FY 1997</u></b>	<b><u>FY 1998</u></b>	<b><u>FY 1999</u></b>	<b><u>FY 2000</u></b>
	<b><u>Actuals</u></b>	<b><u>Estimate</u></b>	<b><u>Estimate</u></b>	<b><u>Estimate</u></b>
<b><u>Trade Agreements Compliance</u></b>				
Trade Agreements Entered into Databank. . . . .	100	10	10	10
Compliance Complaints Investigated. . . . .	30	60	100	170
Compliance Internet Inquiries Received. . . . .	16,000	20,000	20,000	20,000
 <b><u>Negotiating Open Markets and Lowering/Removing Trade Barriers</u></b>				
\$ Exports Generated/Supported . . . . .	350 mil.	500,000	800,000	1 bil.
# Market Access Complaints Analyzed. . . . .	700	2,000	2,000	2,000
# Counseling Sessions . . . . .	108,000	27,000	25,000	25,000
# Clients . . . . .	81,479	8,000	10,000	11,000
# Internet Inquiries (hits) . . . . .	5.7 mil.	9 mil.	9 mil.	9 mil.

# Custom Agency Reports . . . . .	1,436	700	800	800
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**Department of Commerce  
International Trade Administration  
Market Access and Compliance  
INCREASE FOR FY 2000  
Agreements Compliance and Market Access Initiative  
(Dollar amounts in thousands)**

	<u>FY 2000 Base</u>		<u>FY 2000 Estimate</u>		<u>Increase</u>	
	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
<b>Trade Compliance and Regional Market Access....POS/BA</b>	<b>186</b>	<b>16,940</b>	<b>201</b>	<b>18,640</b>	<b>15</b>	<b>1,700</b>
<b>FTE/Obl.</b>	<b>168</b>	<b>16,940</b>	<b>179</b>	<b>18,640</b>	<b>11</b>	<b>1,700</b>

**Agreements Compliance and Market Access Initiative (11 FTE, + \$1,700,000)**--The rapidly growing U.S. trade deficit, coupled with labor and business demands for effective compliance with trade agreements has resulted in expanded trade agreement monitoring and compliance activities. Simultaneously, there is a growing need to better educate the American business community, particularly small- and medium-sized firms, of their rights and benefits under these 250 bilateral, regional and multilateral trade agreements.

This increase will enhance the accomplishment of the following DOC/ITA Strategic Themes, Goals and Objectives.

**STRATEGIC THEME 1 -- ECONOMIC INFRASTRUCTURE**

Build for the future and promote U.S. competitiveness in the global market, by strengthening and safeguarding the Nation's economic infrastructure. Ensuring full and effective monitoring and compliance of trade agreements. Expand trade law enforcement and compliance monitoring, particularly geared to assisting small- and medium-sized U.S. exporters with insufficient staff or resources to maintain expertise in trade agreements or strategies to surmount market access barriers.

This initiative will provide a large boost in U.S. exports by helping U.S. companies better use market openings under current bilateral, regional and multilateral trade agreements and by ensuring that market access barriers are successfully addressed by upcoming talks for the Free Trade Area of the Americas Agreement (FTAA), the Transatlantic Economic Partnership (TEP) and the ongoing efforts with the Asia-Pacific Economic Cooperation (APEC) for liberalization in 15 market sectors. As China and Russia enter the WTO, after the accession agreements are negotiated, U.S. firms must also obtain the reduction in market access barriers that will be promised in these agreements. USTR leads the negotiation of the agreements, but relies on the MAC for implementation and compliance. Second, the FTAA is expected to be under negotiation in FY 2000 and MAC will be called upon to provide increased support to ensure that market access barriers are fully and comprehensively addressed. Additionally, the successful U.S.-EU Mutual Recognition Agreements (MRAs) negotiations must be implemented and foreign compliance ensured -- a very resource-intensive task. Implementation of several recently renegotiated Japan agreements will also be necessary. New U.S. initiatives, such as the Africa Commercial Strategy, will have reached the point at which MAC's country desks will need to provide extensive market access recommendations for possible next steps. Asian nations, through APEC and ASEAN, will be taking steps to liberalize trade in FY 2000, and MAC will have to ensure U.S. exporter priorities receive attention and implementation.

Moreover, compliance cases are expected to soar with the growing use of the MAC's "trade complaint" internet website under MAC's Trade Compliance Center (TCC). The TCC is the nerve and command center within MAC to ensure monitoring of trade agreements. While the TCC directs and coordinates compliance, it is the MAC country

desks that conduct the actual monitoring in accordance with TCC guidelines. Without an adequate number of qualified country market access and compliance officers in MAC's regional units, much of the benefit of the TCC will be negated.

Specific needs for added compliance and monitoring work for bilateral, regional and multilateral trade agreements are:

Bilateral compliance/market access initiatives:

- As China embarks on an accelerated program of enterprise, financial and government reforms, increased need to expand efforts in the Joint Commission on Commerce and Trade (JCCT) and elsewhere to resolve market access barriers and reduce the growing bilateral trade deficit--now running close to \$60 billion annually. While progress has occurred in the area of WTO protocol commitments China has agreed to undertake upon accession, much remains to be done, particularly in tariffs and non-tariff measures, e.g. quotas and licensing requirements, uniform application of trade rules and agriculture. The current MAC staff is too small to deal with market access barriers, to work on resolving the large number of individual company market access problems or to implement plans for specific market access openings.
- Major U.S.-Japan trade agreements are expiring in FY 2000 or soon after. Renewal/improvement of current agreements will be necessary. With USTR's concurrence, MAC negotiates medical, pharmaceutical, and construction agreements, and monitors compliance with 25 agreements. The bilateral trade deficit will be high and politically volatile with Congress and business expecting vigorous compliance/market access efforts. The staff will also provide support to compliance and access outreach efforts to U.S. Export Assistance Centers (USEACs) and business. Many USEACs and firms do not understand our Japan-related compliance and market access mechanisms in place. Japan market access is becoming more complex and requires more specialists to understand and crack these barriers. MAC's Japan staff is down from 13 to 7.

Regional compliance/market access initiatives:

- Asia Pacific Economic Forum (APEC) countries will be moving towards a "Pacific Community" of free trade and investment by 2010/2020. We need to assure Early Voluntary Sectoral Liberalization (EVSL) in 15 sectors, including tariff reductions, progress on non-tariff measures and economic/technical cooperation. MAC will monitor progress of APEC countries' specific trade liberalization measures that provide the road map to free trade and investment, and press countries to live up to the spirit as well as the letter of their commitments.
- In Europe, MAC will ensure that technical work on the Mutual Recognition Agreement (MRA) for testing and certification is in full compliance. This will cut up to 80% off the cost small companies face to enter the European market. Close to \$1 billion of exports will be lost if this cannot be done. MAC will also need to explain exporters' rights and abilities to U.S. firms (on the Internet and through information packages prepared for the U.S. Export Assistance Centers). The costs in terms of foregone exports would be in the hundreds of millions of dollars. MAC/Europe staff will develop priorities, negotiating strategies and solicit the support of the private sector for the Transatlantic Business Dialogue.
- Under the Transatlantic Economic Partnership announced at the May 1998 U.S.-EU Summit, MAC is taking a lead role -- drawing upon its extensive contact with the business community, particularly small- and medium-sized firms-- in efforts to develop recommendations to reduce or eliminate trade barriers or improve regulatory cooperation in such areas as services, industrial tariffs, agriculture, global electronic commerce, IPR, investment, government procurement, competition

policy and business facilitation.

- In Central and Eastern Europe, the transition to a market-driven economy is being impeded by the region's legacy of its communist past or recent political and social upheavals. Excessive bureaucratic red tape, underdeveloped customs system and poor infrastructure have impeded exporters from market penetration. Additionally, the problem of preferential tariff rates extended to EU products under EU Association Agreements are resulting in new market access barriers for U.S. firms.
- The Free Trade Area of the Americas (FTAA) Agreement will require MAC's Western Hemisphere staff to take the lead in developing strategies to move toward eliminating restrictive rules of origin, seeks ways to how to accommodate the customs regimes of the multiple Latin American trading pacts and identify strategies to deal with standards, mutual recognition of testing and certification, government procurement and other non-tariff barriers. FTAA includes 34 countries and cover multiple Latin American trading pacts. Increased competition from Western European suppliers in this market, coupled with the need to aggressively head off restrictive policies by Mercosur in such areas as customs policies and standards setting, will result significantly increase demands on MAC staff.

#### Multilateral compliance/market access initiatives:

Technical barriers to trade (testing, certification, licensing, etc.) and regional trading blocs are increasingly becoming the principal barriers to trade, rather than new tariffs or quotas. U.S. and EU companies regard the presence of incompatible or duplicative regulatory policies among the most difficult trade obstacles, especially for SMEs, for which the cost of compliance can be prohibitive. Their highly technical nature requires more expertise than is presently available in Commerce. A key focus must be on improving the global trade rules on Technical Barriers to Trade Agreement, with the WTO agreement up for renegotiation in 2000. The technical barriers staff would also provide the detailed technical knowledge to the regional trade groups, and will work directly with U.S. firms to identify and resolve technical barriers, focusing on testing, certification and licensing. A detailed inventory of foreign technical barriers will be compiled on a website, and special technical groups set up to link to the engineering and technical staffs of U.S. companies to speed information on new technical barriers as they are encountered by U.S. exporters.

Performance Results: An increase in U.S. exports in those sectors for where U.S. Government pursues aggressive strategies for securing increased market access and compliance, with a reduction in the U.S. trade deficit. Results will include: (1) an increase in U.S. exports will occur in those sectors where the U.S. Government pursues aggressive strategies for obtaining market access and compliance; (2) an increase in U.S. exports in those sectors where new market access agreements and negotiated; and (3) decreasing the costs of identifying and rectifying non-compliance of foreign governments under existing agreements. The utility of market access openings has been clearly demonstrated.

**Performance Measures**

	<b><u>FY 2000</u></b>	<b><u>FY 2001</u></b>	<b><u>FY 2002</u></b>	<b><u>FY 2003</u></b>	<b><u>FY 2004</u></b>
# of participation in bilateral/regional negotiations	350	450	450	450	450
# Mkt Access complaints investigated	75	150	300	300	300
\$ Exports generated (in millions)	35	75	170	170	170

**Cost and Benefits:**

Capitalized	130	130	130	130	260
Uncapitalized	1,570	1,779	1,779	1,779	1,779
Total	1,700	1,909	1,909	1,909	1,909
Budget Authority	1,700	1,909	1,909	1,909	1,909
Outlays	1,190	1,676	1,718	1,909	1,909
FTE	11	15	15	15	15



**Department of Commerce  
International Trade Administration  
Operations and Administration  
PROGRAM CHANGE PERSONNEL DETAIL**

Exhibit 14

Activity: **Market Access and Compliance**  
 Subactivity: **Trade Compliance and Regional Market Access**  
 Program Change: **Agreements Compliance and Market Access Initiative**

<u>Title:</u>	<u>Grade</u>	<u>Number</u>	<u>Annual Salary</u>	<u>Total Salaries</u>
International economist	GS-15	1	80,658	80,658
International economist	GS-14	2	68,570	137,140
International economist	GS-13	2	58,027	116,054
International trade specialist	GS-13	2	58,027	116,054
International trade specialist	GS-12	3	48,796	146,388
International economist	GS-12	2	48,796	97,592
International trade specialist	GS-11	2	40,714	81,428
Secretary	GS-07	1	24,754	24,754
<b>Total</b>		<b>15</b>		800,068
Less lapse		(4)		(200,017)
<b>Total full-time permanent:</b>		<b>11</b>		600,051
2000 Pay Adjustment (4.4%)				26,402
<b>Total</b>				<b>626,453</b>

<u>Personnel Data</u>	
Full-time Equivalent Employment:	
Full-time permanent	11
Other than full-time permanent	0
<b>Total</b>	<b>11</b>
Authorized Positions:	
Full-time permanent	15
Other than full-time permanent	0
<b>Total</b>	<b>15</b>

**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
(Dollar amounts in thousands)

Exhibit 15

Activity: **Market Access and Compliance**  
Subactivity: **Trade Compliance and Regional Market Access**  
Program Change: **Agreements Compliance and Market Access Initiative**

<u>Object class</u>	<u>Increase</u>
11 Personnel compensation	
11.1 Full-time permanent	626
11.3 Other than full-time permanent	0
1.5 Other personnel compensation	0
11.8 Special personnel services payments	0
11.9 Total personnel compensation	<b>626</b>
12.1 Civilian personnel benefits (24.55%)	154
13.0 Benefits for former personnel	0
21 Travel and transportation of persons	260
22 Transportation of things	35
23.1 Rental payments to GSA	105
23.3 Communications, utilities, and misc. charges	25
24 Printing and reproduction	60
25 Other services	260
26 Supplies and materials	75
31 Equipment	100
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
<b>99 Direct obligations</b>	<b>1,700</b>

**Department of Commerce**

**International Trade Administration  
Market Access and Compliance  
INCREASE FOR FY 2000  
Market Access Strike Force Initiative  
(Dollar amounts in thousands)**

	<u>FY 2000 Base</u>		<u>FY 2000 Estimate</u>		<u>Increase</u>	
	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
<b>Trade Compliance and Regional Market Access....POS/BA.</b>	<b>186</b>	<b>16,940</b>	<b>198</b>	<b>19,640</b>	<b>12</b>	<b>2,700</b>
<b>FTE/Obl. 168</b>	<b>16,940</b>	<b>177</b>	<b>19,640</b>	<b>9</b>	<b>2,700</b>	

**Market Access Strike Force Initiative (9 FTE,+ \$2,700,000)** --Existing resources are inadequate to promptly handle market access problems around the globe. Embassy staffs are stretched thin with day to day responsibilities and lack the training to focus on the details of market access barriers and foreign country legislation and regulations that serve as trade barriers. Billions of dollars of exports are believed to be lost annually because of the lack of trained experts to concentrate on clarification of market access barriers. This initiative will provide highly skilled and trained “strike force” teams to work with U.S. embassy staffs to inventory and address the full range of trade barriers in individual countries and train the embassy staffs for follow-on; and to provide the detailed backup and support knowledge that can be provided to work on a temporary basis to U.S. embassy staffs grappling with the solution of specific market access barriers.

This increase will enhance the accomplishment of several DOC/ITA strategic themes, goals, and objectives:

**STRATEGIC THEME 1 -- ECONOMIC INFRASTRUCTURE**

Strengthen the small and medium sized backbone of American industry by preparing U.S. government overseas staffs to deal much more effectively with foreign barriers in the competitive global environment.

The Overseas “Strike Force” -- Market access problems can be identified and resolved more quickly by developing an interdisciplinary team of specialists who will be mobile and temporarily assigned to a specific country to detail the full range of market access barriers facing U.S. firms in that country, particularly SMEs. While U.S. embassy staffs are generally highly capable, they are stretched too thinly to enable them to maintain technical experts in government procurement, standards and the like. The strike force will supplement embassy personnel with a concentrated application of expertise, resulting in much more thorough inventories and detailed explanations of barriers than can now be resolved by the U.S. Government.

Team members will focus on specific market access concerns, e.g. trade agreement violations, government procurement, IPRs. Working with Embassy Commercial/Economic Sections, teams will directly consult with foreign government agencies, local business organizations, and the resident U.S. business community to identify and help resolve market access barriers.

One of the benefits will be a much more detailed audit and accounting of foreign laws and regulations that impede U.S. exports, with an in-depth understanding of how they work and how they may best be addressed. These trade barrier audits will help guide the priorities within U.S. embassies and will also provide fine-tuning information to enable USTR and other Washington agencies to negotiate new agreements with greater knowledge of how to make them work. A problem with some current trade agreements

is that countries may follow the letter, but not the spirit, of the agreement and the letter of the agreement fails to address the specific details that would make the agreements work better. The better the knowledge of exactly what laws and policies, and what government-business relations are most operative and important, the better the trade agreements can be.

The use of Strike Force teams will save time and compress resolution of trade problems so that they can be addressed and dealt with much more quickly. Using existing resources at embassies can involve a very considerable length of time as overworked and undertrained staffs deal with problems a layer at a time, reporting back to Washington, waiting for further questions or instructions, going on to the next layer of the problem, etc. until the problem is finally addressed. Frequently, foreign officials delay an understanding of an issue by obfuscating matters, taking advantage of the fact that the U.S. embassy personnel may not be experts in the particular field of law or regulation. Backstopping the Embassy staff with technical personnel that know the issues in detail can avoid this. Having an expert team on-site to work with the embassy staff will enable all the relevant laws, regulations, relationship to existing bilateral and multilateral agreements, and other factors to be dealt with much more quickly--allowing the full depiction of the problem and its possible resolutions to be handled in a fraction of the time that would be required otherwise.

Finally, the presence of the Strike Force team will provide advanced training for Embassy personnel and will leave them not only with a clearer agenda of actions but also with better tools and knowledge of how to deal with the issues for the future. This knowledge would be imparted both by the close-in working relationship the Strike Force would have with embassy personnel, but also by formal seminars and other training.

Additionally, in key market access opportunity areas, permanent Market Access Officer positions would be created in the FCS, held for rotating assignments by MAC market access officers on detail for two years at a time. These could include Tokyo, Brussels, Beijing and/or Seoul.

Performance Results: A large increase, particularly in exports of small- and medium-sized exporters, can be expected as the U.S. Government is able to utilize a floating strike force to concentrate on specific trade barrier problems in individual countries and as U.S. embassy personnel become more familiar with the details of U.S. trade agreements and the ways in which they can be enforced.

**Performance Measures:**

	<u><b>FY 2000</b></u>	<u><b>FY 2001</b></u>	<u><b>FY 2002</b></u>	<u><b>FY 2003</b></u>	<u><b>FY 2004</b></u>
# of companies receiving compliance assistance	300	450	450	450	450
\$ Exports generated (in millions):	70	140	140	140	140
Overseas Strike Force	45	90	90	90	90
Domestic Assistance Team	25	50	50	50	50

**Cost and Benefits:**

Capitalized	180	180	180	180	180
Uncapitalized	2,520	2,673	2,673	2,673	2,673
Total	2,700	2,853	2,853	2,853	2,853
Budget Authority	2,700	2,853	2,853	2,853	2,853
Outlays	1,890	2,537	2,568	2,853	2,853
FTE	9	12	12	12	12

**Department of Commerce  
International Trade Administration  
Operations and Administration  
PROGRAM CHANGE PERSONNEL DETAIL**

Exhibit 14

Activity: **Market Access & Compliance**  
Subactivity: **Trade Compliance and Regional Market Access**  
Program Change: **Market Access Strike Force Initiative**

<u>Title:</u>	<u>Grade</u>	<u>Number</u>	<u>Annual Salary</u>	<u>Total Salaries</u>
International trade specialist	GS-15	1	80,658	80,658
International trade specialist	GS-13	3	58,027	174,081
Attorney	GS-13	1	58,027	58,027
International trade specialist	GS-12	2	48,796	97,592
International trade specialist	GS-11	2	40,714	81,428
Trade assistant	GS-09	1	33,650	33,650
Secretary	GS-07	1	27,508	27,508
Total		<u>12</u>		<u>586,594</u>
Less lapse	25.00%	<u>(3)</u>		<u>(146,649)</u>
<b>Total full-time permanent:</b>		<b>9</b>		<b>439,945</b>
2000 Pay Adjustment (3.0%)				<u>19,358</u>
<b>Total</b>				<b>459,303</b>

**Personnel Data**

Full-time Equivalent Employment:

Full-time permanent

9

Other than full-time permanent

0

**Total**

Authorized Positions:

Full-time permanent

12

Other than full-time permanent

0

**Total**

**12**

**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
(Dollar amounts in thousands)

Exhibit 15

Activity: **Market Access and Compliance**  
Subactivity: **Trade Compliance and Regional Market Access**  
Program Changes: **Market Access Strike Force Initiative**

<u>Object class</u>		<u>Increase</u>
11	Personnel compensation	
11.1	Full-time permanent	459
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	<b>Total personnel compensation</b>	<b>459</b>
12.1	Civilian personnel benefits (24.55%)	113
13.0	Benefits for former personnel	0
21	Travel and transportation of persons	1,060
22	Transportation of things	90
23.1	Rental payments to GSA	180
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	60
24	Printing and reproduction	90
25	Other services	460
26	Supplies and materials	80
31	Equipment	180
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
<b>99</b>	<b>Direct Obligations</b>	<b>2,700</b>

**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS**  
**(Dollar amounts in thousands)**

Activity: **International Trade**  
Subactivity: **Import Administration**

		1998		1999		2000		2000		Increase/	
		Actual		Currently Available		Base		Estimate		(Decrease)	
		Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
<b>Import Administration</b>											
Import Administration	Pos./BA	294	26,846	327	28,951	327	29,934	351	31,668	24	1,734
	FTE/Obl.	249	27,198	289	29,799	295	29,934	313	31,668	18	1,734
Special Import Programs	Pos./BA	17	1,444	17	1,481	17	1,486	17	1,486	0	0
	FTE/Obl.	16	1,456	16	1,528	16	1,486	16	1,486	0	0
Direct Obligations	<b>Pos./BA</b>	311	28,290	344	30,432	344	31,420	368	33,154	24	1,734
	<b>FTE/Obl.</b>	265	28,654	305	31,327	311	31,420	329	33,154	18	1,734



**Department of Commerce  
International Trade Administration  
Operations and Administration  
JUSTIFICATION OF PROGRAM AND PERFORMANCE FOR  
IMPORT ADMINISTRATION**

**Goals and Objectives for FY 2000**

**Goal:** The goal of this subactivity is to improve American competitiveness through effective administration of U.S. trade laws and enforcement of sector-specific trade agreements that govern U.S. imports.

**Objectives:** ITA will achieve this Department of Commerce goal by taking prompt, aggressive action against unfair trade practices by enforcing the U.S. trade laws and agreements negotiated to address sector-specific trade distorting practices. The objectives of this activity are to conduct antidumping and countervailing duty investigations, administrative reviews, and sunset reviews within statutory time limits; negotiate and administer suspension agreements; and manage and support the Foreign Trade Zones Program and certain other special import programs.

**Import Administration** (IA) defends American industry against injurious trade practices by administering efficiently, fairly and in a manner consistent with U.S. international obligations the antidumping (AD) and countervailing duty (CVD) laws of the United States. The major objectives of this program area are to process and complete investigations, administrative reviews, and sunset reviews within the statutory time limits of the trade laws. This program is comprised of three principal operational groups led by the Deputy Assistant Secretaries (DAS) for AD/CVD Enforcement I, II, and III. These three operational areas are supported by the Offices of Policy, Accounting, and the Central Records Unit.

The DAS offices are charged with conducting the initial investigation under the AD/CVD laws where there is reason to believe imports are being unfairly subsidized or sold in the U.S. at less than fair market value. Each investigation must be completed within strict statutory deadlines, and the investigations vary widely in terms of scope and complexity. Each investigation requires: (1) analysis of information provided by the petitioning U.S. industry to determine whether an investigation should be initiated; (2) preparation of extensive questionnaires, to be answered by the relevant foreign governments and/or industry, which seek information about foreign government programs available to firms, and the individual firm's prices and costs; (3) analysis of responses to the questionnaires and verification of such responses on-site in the foreign country at the relevant government and/or industry offices; (4) calculation of estimated subsidy or dumping margins; and (5) preparation of preliminary and final determinations, including Federal Register notices that explain each determination and discuss and resolve each issue raised by the parties to the investigation. When the results of a final determination are challenged in the Court of International Trade, the staff provides support to the Chief Counsel for IA and the Justice Department. If a case is remanded to IA by the Court of International Trade, the investigation is re-conducted in accordance with the Court's instructions.

In addition, these operational areas are required to counsel U.S. industries that are considering filing AD or CVD petitions. This requires staff to meet with industry representatives in Washington or at the industry's offices or factories; educate the industry representatives about the requirements of the AD/CVD laws; review information provided by the industry; and advise industry representatives whether additional information is necessary to justify the initiation of an investigation. IA staff is particularly active in counseling small U.S. businesses which are less able to afford legal counsel and in assisting them in preparing AD/CVD petitions. In addition, considerable resources are expended in counseling larger businesses and their legal counsel at the pre-petition phase of an investigation. When the Department is considering self-initiation of an investigation, these operational areas are required to conduct an in-depth pre-initiation investigation and convey the results in a memorandum to the Assistant Secretary for IA that recommends whether an investigation should be self-initiated.

The DAS offices also conduct requested administrative reviews of AD/CVD orders and findings in order to determine first, the estimated AD/CVD duties deposited when

merchandise covered by an AD/CVD order is imported, and second, the final amount of the duties to be paid. These statutorily mandated reviews require staff to obtain and, frequently, verify detailed subsidy, price, and cost of production information. This entails considerable foreign and domestic travel for on-site verification. The administrative review process involves the same tasks as described for the investigatory process, namely: preparation and presentation of questionnaires; review of extensive financial and accounting information; analysis of formal written and oral comments on the preliminary results; preparation and publication of final results; and provision of instructions to the Customs Service. Administrative reviews also are challenged in the Court of International Trade, and require significant IA staff support during litigative proceedings. The DAS staffs also negotiate suspension agreements and conduct requested administrative reviews of suspended investigations to determine compliance, or lack thereof, with the agreements forming the basis of the suspension.

The Office of Policy plays the lead role in developing regulatory guidance to implement changes to AD/CVD practice. The office is also responsible for coordinating multilateral subsidies enforcement efforts, which focus on assisting the private sector by monitoring foreign subsidies and identifying subsidies that can be remedied under the World Trade Organization (WTO) Subsidies Agreement. The number of subsidy issues brought to IA's attention by the U.S. exporting community continues to increase as information, provided through our subsidies enforcement efforts, is received in the business community. A major initiative of these efforts has been the monitoring of the economic policies of Korea, Indonesia and Thailand, in response to the Asian financial crisis; to ensure compliance with the subsidy-related conditions of the (International Monetary Fund (IMF) rescue package, and to uncover potential subsidy programs that are actionable under U.S. countervailing duty law or the WTO. Other significant activities of the Office include: (1) policy development and coordination for numerous anticipated AD/CVD case filings; (2) defense of U.S. AD/CVD decisions before the relevant WTO Committees and in consultations with affected foreign governments; (3) technical advice on AD/CVD issues in various bilateral and plurilateral trade initiatives; (4) assistance to U.S. exporters subject to foreign AD/CVD actions, including challenges to such actions in the appropriate fora; and (5) support to negotiations on shipbuilding and the industrial subsidies study in the OECD (Organization for Economic Cooperation and Development).

The Office of Accounting is responsible for ensuring that IA uses acceptable sound accounting and financial principles in administering the AD/CVD laws. In this role, Accounting supports all IA offices involved with the AD/CVD program. Accounting performs all investigative aspects of casework including on-site verifications related to the cost of production and the constructed value areas of AD investigations. The complexities of this area require expert knowledge in U.S. Generally Accepted Accounting Principles (GAP) as well as foreign accounting practices. The Office also provides litigation support to the Office of the Chief Counsel. The expertise provided by the Office of Accounting applies to a large number of AD/CVD cases and litigative proceedings and supports the many other program and administrative aspects of IA.

**Special Import Programs** - Included in this function are the Foreign Trade Zones (FTZ) Staff and Statutory Import Programs.

- o **Foreign Trade Zones Program:** This program is administered by the Foreign Trade Zones (FTZ) Staff, which serves as the operational arm of the FTZ Board, an interagency body chaired by the Secretary of Commerce. The Board was established to license (grants of authority) and regulate foreign trade zones (customs free zones), under the FTZ Act of 1934 (19 USC 81) and the Board's regulations (15 CFR 400). Zones are sponsored by public or public type corporations, with some operated by private corporations under agreement with licensees. The Act's public utility requirement calls for reasonable and non-discriminatory rates.

As of mid-FY 1998, there were 225 zones and 400 subzones in the U.S. employing over 370,000 persons. The volume of exports leaving U.S. foreign-trade zones amounted to \$17 billion in FY 1996 and an estimated \$18 billion in FY 1997. During FY 1997, the Board processed 84 formal applications, which included eight for new general-purpose zones projects and 35 for new subzones. In reviewing new manufacturing in zones and subzones in terms of the public interest, the Board evaluates the net economic effect of proposed operations, considering such factors as: trade and tariff policy, import penetration, export development, employment impact, and impact on domestic industry. Zone savings are designed to help improve the international competitiveness of U.S. firms. States and local communities use zones as an element of their economic development efforts. FTZ activity is monitored with continuing assessment of the net economic effect of manufacturing operations and compliance with grant restrictions.

- o **Statutory Import Programs:** This program is responsible for administering specific import laws. They include the Insular Watch Assembly Program authorized by P.L.

97-446, as amended by P.L. 103-465; and the Educational Scientific and Cultural Materials Importation Act (Florence Agreement), authorized by P.L. 89-651. The insular Watch Assembly Program allocates the duty-exemption for watches imported into the United States from the Virgin Islands, Guam, American Samoa and the Northern Marinas Islands and issues special production incentive certificates authorized by P.L. 97-446, as amended by P.L. 103-465. The Florence Agreement Program determines whether scientific instruments imported into the United States by non-profit institutions qualify for duty-free entry. The staff also records and tabulates data on the duty-free entry of articles for the handicapped under Annex E(ii) of the Nairobi Protocol.

**Department of Commerce  
International Trade Administration  
INCREASE FOR FY 2000  
Implementation of the Uruguay Round Agreements Act  
(Dollar amounts in thousands)**

	<u>FY 2000 Base</u>		<u>FY 2000 Estimate</u>		<u>Increase</u>	
	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
<b>Import Administration...Pos./BA</b>	<b>327</b>	<b>29,934</b>	<b>340</b>	<b>31,034</b>	<b>13</b>	<b>1,100</b>
<b>FTE/Obl.</b>	<b>295</b>	<b>29,934</b>	<b>305</b>	<b>31,034</b>	<b>10</b>	<b>1,100</b>

**Implementation of the Uruguay Round Agreements Act (10 FTE, \$1,100,000)** -- This increase will enable IA to effectively and vigorously enforce the Uruguay Round Agreements Act (URAA) with respect to subsidies enforcement activities in support of U.S. exporting efforts. The role of Import Administration (IA) is not only to fully enforce the antidumping and countervailing duty laws, but also to spearhead the subsidies enforcement activities of the United States with respect to the disciplines embodied in the World Trade Organization (WTO) Subsidies Agreement. As part of this effort, IA is legally responsible for evaluating whether foreign government subsidy practices are inconsistent with the Subsidies Agreement and hurting U.S. exporters. Based on the findings, IA recommends to USTR what further action should be taken, such as the establishment of a WTO dispute settlement panel. IA requests funding and FTE to effectively and vigorously enforce the Subsidies Agreement in support of U.S. exporting efforts.

This increase will enhance the accomplishment of the following DOC/ITA Strategic Theme, Goal and Objectives.

**STRATEGIC THEME 1 – ECONOMIC INFRASTRUCTURE**

Build for the future and promote U.S. competitiveness in the global market, by strengthening and safeguarding the nation's economic infrastructure.

**GOAL B**

Enforce U.S. trade laws and agreements to promote free and fair trade.

**OBJECTIVE**

Expand trade law enforcement and compliance monitoring.

As part of IA's ongoing effort to fully implement the new requirements in the URAA, IA is required to focus on new dimensions in subsidies enforcement. Previously, the countervailing duty law was the only practical mechanism for U.S. companies to address subsidized foreign competition. However, the countervailing duty law focuses only on the effects of foreign subsidized competition in the United States. Now, under the URAA and the Subsidies Agreement, U.S. industries have a remedy through the WTO to address foreign subsidies that affect their business in markets other than the United States. To accomplish this IA must: (1) monitor foreign subsidy practices to determine whether they are impeding U.S. exports to foreign markets; (2) analyze and prepare possible WTO dispute settlement subsidy cases and forward the cases to USTR; (3) research and respond to all subsidy complaints and concerns raised by U.S. exporting companies; (4) educate the U.S. exporting community about the new WTO remedies available; (5) coordinate with foreign posts to identify and research potential subsidy practices; and (6) make all foreign subsidy information available to the public. This increase would support these subsidies enforcement efforts and the growth that IA will continue to experience in FY 2000.

#### **IMPORT ADMINISTRATION PERFORMANCE MEASURES**

	<b><u>FY 2000</u></b>	<b><u>FY 2001</u></b>	<b><u>FY 2002</u></b>
	<b><u>Estimate</u></b>	<b><u>Estimate</u></b>	<b><u>Estimate</u></b>
Counsel U.S. Industries	60	80	100
Conduct and process SEO cases	45	70	90

The number of subsidy issues brought to IA's attention by the U.S. exporting community continues to increase as information concerning the assistance provided through our subsidies enforcement efforts is received in the business community. In order to evaluate each subsidy issue, whether it is received from a U.S. company or discovered through our monitoring efforts, we must conduct extensive research to determine the legal framework under which the foreign government is offering the assistance and whether other U.S. exporters have been facing similar problems. Once the research is completed, which can take several weeks or months, the issue must be fully evaluated and vetted among senior Commerce staff to determine the appropriate course of action to take to resolve the issue. Once this has been done, the issue and the recommended course of action are discussed with appropriate USTR personnel and, ultimately, with an interagency group to determine the most effective way to proceed. We have developed several cases with USTR that have gone to WTO dispute settlement panels and currently are working on a number of possible additional cases. We expect to submit several subsidy cases for WTO dispute settlement in the coming year.

IA is working to increase awareness of the resources available to the U.S. trading community in combating unfair competition in foreign markets due to subsidization. To provide this assistance, IA must ensure that the U.S. business community and the government personnel who have daily contact with the U.S. exporting community, both here in the United States and in our embassies overseas, are aware of the resources and services available regarding subsidies enforcement. Further, we need to educate these personnel on the issue of subsidies, in general, and the remedies available to U.S. companies under the Subsidies Agreement.

In addition, IA must make available through the Internet all publicly available subsidy information. Toward this end, IA has begun the process of establishing a comprehensive electronic database of foreign government subsidy practices by drawing from the subsidy information which Commerce has developed through years of conducting countervailing duty investigations and WTO subsidy notifications of member countries. IA plans to update this database with subsidy information collected in all new CVD proceedings, as well as continue to expand the database to include information from CVD cases back to 1980.

IA will continue to provide strong, pro-active responses to subsidy barriers confronted by U.S. exporters in third country markets. IA will formalize interactions with various agencies to ensure a continual dialogue on subsidy enforcement issues, publicizing to the U.S. exporting community the wealth of subsidy information that is available through the Internet and the Subsidies Library, and committing substantial resources to work actively with U.S. interests in response to their concerns regarding subsidy issues. It is essential that IA be adequately funded to provide this type of support to the U.S. exporting community.

Effective enforcement of the Subsidies Agreement includes not only identification and analysis of illegal subsidy practices, but also building a solid legal foundation for

challenging those practices in the WTO. The Office of Chief Counsel for Import Administration (CC/IA) works side by side with IA, first, to determine through legal research into WTO precedents whether the government program violates the provisions of the Agreement and, later, to translate into the legal discourse of the WTO dispute settlement process the charges the United States wishes to bring against particular foreign government subsidy programs that are injuring U.S. industries. Once the U.S. Government has filed its complaint with the WTO, CC/IA assists in the initial consultations with the foreign government, drafts the U.S. submissions to the dispute settlement panel, and participates in oral argument (and response to questions) before the WTO panel.

**Cost and Benefits:**

Capitalized	60	25	25	25	25
Uncapitalized	1,040	1,238	1,238	1,238	1,238
Total	1,100	1,263	1,263	1,263	1,263
Budget Authority	1,100	1,263	1,263	1,263	1,263
Outlays	770	1,104	1,247	1,263	1,263
FTE	10	13	13	13	13

Department of Commerce  
International Trade Administration  
Operations and Administration  
**PROGRAM CHANGE PERSONNEL DETAIL**

Exhibit 14

Activity: **Import Administration**  
Subactivity: **Import Administration**  
Program Change: **Implementation of the Uruguay Round Agreements Act**

<u>Title:</u>	<u>Grade</u>	<u>Number</u>	<u>Annual Salary</u>	<u>Total Salaries</u>
Director	15	1	80,658	80,658
Supervisor Import Policy Analyst	14	1	68,570	68,570
Staff Attorney	14	1	68,570	68,570
Senior Import Policy Analyst	13	1	58,027	58,027
Staff Attorney	13	1	58,027	58,027
Staff Attorney	12	1	48,796	48,796
Import Policy Analyst	11	2	40,714	81,428
Import Policy Analyst	9	2	33,650	67,300
Research Assistant	9	2	33,650	67,300
Research Assistant	7	<u>1</u>	27,508	<u>27,508</u>
<b>Total</b>		13		626,184
Less lapse (25.00%)		<u>(3)</u>		<u>(156,546)</u>
<b>Total full-time permanent</b>		10		469,638
2000 Pay Adjustment (4.4%)				<u>20,664</u>
				490,302

**Personnel Data**

Full-time Equivalent Employment:

Full-time permanent	10
Other than full-time permanent	<u>0</u>
Total	10

Authorized Positions:

Full-time permanent	13
Other than full-time permanent	<u>0</u>
Total	13

Department of Commerce  
International Trade Administration

Exhibit 15

**Operations and Administration**  
**PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
(Dollar amounts in thousands)

Activity: **Import Administration**  
Subactivity: **Import Administration**  
Program Change: **Implementation of the Uruguay Round Agreements Act**

<u>Object class</u>	<u>Increase</u>
11 Personnel compensation	
11.1 Full-time permanent	490
11.3 Other than full-time permanent	0
1.5 Other personnel compensation	0
11.8 Special personnel services payments	0
11.9 <b>Total personnel compensation</b>	<b>490</b>
12.1 Civilian personnel benefits (24.55%)	120
13.0 Benefits for former personnel	0
21 Travel and transportation of persons	229
22 Transportation of things	5
23.1 Rental payments to GSA	0
23.3 Communications, utilities and miscellaneous charges	20
24 Printing and reproduction	6
25 Other services	160
26 Supplies and materials	10
31 Equipment	60
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
<b>99 Direct obligations</b>	<b>1,100</b>



**Department of Commerce  
International Trade Administration  
INCREASE FOR FY 2000  
WTO Dispute Settlement Unit  
(Dollar amounts in thousands)**

	<u>FY 2000 Base</u>		<u>FY 2000 Estimate</u>		<u>Increase</u>	
	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
<b>Import Administration...Pos./BA</b>	<b>327</b>	<b>29,934</b>	<b>338</b>	<b>30,568</b>	<b>11</b>	<b>634</b>
<b>FTE/Obl.</b>	<b>295</b>	<b>29,934</b>	<b>303</b>	<b>30,568</b>	<b>8</b>	<b>634</b>

**WTO Dispute Settlement Unit (8 FTE, \$634,000)** -- This increase will enable Import Administration (IA) to advance two key goals: (1) to respond to WTO dispute settlement challenges brought by foreign governments against U.S. antidumping and countervailing duty decisions, and (2) to assist U.S. exporters covered by foreign antidumping and countervailing duty cases by evaluating developments in foreign proceedings and, in conjunction with the Department's General Counsel's Office and United States Trade Representative (USTR), bringing WTO dispute settlement challenges.

This increase will enhance the accomplishment of the following DOC/ITA Strategic Theme, Goal and Objectives.

**STRATEGIC THEME 1 – ECONOMIC INFRASTRUCTURE**

Build for the future and promote U.S. competitiveness in the global market, by strengthening and safeguarding the nation's economic infrastructure.

**GOAL B**

Enforce U.S. trade laws and agreements to promote free and fair trade.

**OBJECTIVE**

Expand trade law enforcement and compliance monitoring.

**Defense of U.S. Unfair Trade Cases in WTO**

-- The Uruguay Round negotiations, which were completed at the end of 1993, extensively revised the dispute settlement mechanism covering unfair trade cases.

- Member countries recently have begun to utilize the WTO's new dispute settlement provisions to challenge adverse antidumping and countervailing duty decisions, including U.S. decisions. Over the past two years, Korea, the European Union, Chile, and Mexico have each requested WTO consultations with respect to U.S. determinations, and foreign governments can be expected to continue to challenge U.S. decisions in the future.
- The United States Government has a strong interest in effectively responding to these challenges, and the Department, working with the Department's General Counsel's Office and USTR, has responsibility for developing and presenting defenses.
- When a case is brought against a U.S. antidumping or countervailing duty determination, the Department will develop strategy for defending the determination, help draft formal submissions to the WTO panel, and attend formal consultations and panel hearings. We will coordinate closely with the Department's General Counsel's Office and other agencies, particularly USTR.
- By defending the consistency of U.S. antidumping and countervailing duty actions with WTO requirements, the Department will help defend the interests of U.S. workers and industries hurt by unfairly traded imports.
- The General Counsel's Office provides key support in the defense of U.S. unfair trade actions in WTO. The need to defend Commerce's AD/CVD determinations before WTO dispute settlement panels adds an additional review forum to those of the U.S. Federal Courts and NAFTA dispute settlement panels that have long been a part of Chief Counsel /IA's critical legal work. As WTO Members become familiar with details of the WTO Subsidies and Anti-Dumping Agreements through implementation of their own AD/CVD systems, we can expect the number of WTO challenges of U.S. determinations to rise exponentially. CC/IA's legal research and brief writing skills will be a necessary component of Commerce's successful defense of its administrative decisions in the AD/CVD area.

#### Monitoring and Challenging Foreign Trade Actions Against U.S. Exporters

- U.S. exporters have expressed concern about the increasing number of foreign AD/CVD cases that are being filed against U.S. exporters. Countries that have never before initiated such investigations have recently initiated cases against U.S. exporters.
- Moreover, the number of cases against U.S. exporters is anticipated to increase as additional countries adopt unfair trade laws. For example, in the past year, nations such as China, Korea, Brazil, Bulgaria, Singapore, Peru, and the Slovak Republic have implemented new or revised antidumping and/or countervailing duty laws and regulations.
- The United States must assist U.S. companies with the technical requirements to be met in defending these cases and make certain that foreign actions are consistent with the WTO Antidumping ("AD") and Subsidies and Countervailing Measures ("SCM") Agreements.
- The Department will work to obtain early notice of any antidumping and/or countervailing duty claims against U.S. exporters and disseminate information about the foreign country's laws and procedures to the relevant U.S. companies.
- Where appropriate, we will consult with the foreign government on behalf of U.S. exporters during the conduct of the foreign investigation.
- We will closely scrutinize antidumping and countervailing duty actions against U.S. exporters to ensure consistency with the legal and procedural safeguards provided in the WTO. When we find violations of those safeguards, in coordination with the Department's General Counsel's Office and USTR, we will seek a remedy in the WTO. In the course of a WTO panel proceeding, we will help draft written submissions and participate in formal consultations and panel hearings.

- The General Counsel's Office provides key support in monitoring and challenging foreign trade actions against U.S. exporters. The same skills that underlie CC/IA's efforts in defending Commerce's AD/CVD determinations are used to analyze whether actions taken by foreign countries in the administration of their unfair trade laws contravene provisions of the WTO Subsidies and Anti-Dumping Agreements. Once the United States has decided to pursue a dispute settlement case on behalf of U.S. exporters, CC/IA serves its traditional role of in-depth legal analysis of WTO precedent and preparation of the legal submissions to the WTO dispute settlement panels.

#### IMPORT ADMINISTRATION PERFORMANCE MEASURES

	<b><u>FY 2000</u></b> <b><u>Estimate</u></b>	<b><u>FY 2001</u></b> <b><u>Estimate</u></b>	<b><u>FY 2002</u></b> <b><u>Estimate</u></b>
Counsel U.S. Companies subject to potential and actual foreign AD/CVD petitions	50	55	60
Conduct bilateral and WTO consultations on behalf of U.S. Companies	20	25	30

	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>
<b><u>Cost and Benefits:</u></b>					
Capitalized	20	8	8	8	8
Uncapitalized	614	790	790	790	790
Total	634	798	798	798	798
Budget Authority	634	798	798	798	798
Outlays	444	685	781	798	798
FTE	8	11	11	11	11

Department of Commerce  
International Trade Administration  
Operations and Administration  
**PROGRAM CHANGE PERSONNEL DETAIL**

Exhibit 14

Activity: **Import Administration**  
Subactivity: **Import Administration**  
Program Change: **WTO Dispute Settlement Unit**

<u>Title:</u>	<u>Grade</u>	<u>Number</u>	<u>Annual Salary</u>	<u>Total Salaries</u>
Director	15	1	80,658	80,658
Import Policy Analyst	14	1	68,570	68,570
Staff Attorney	14	1	68,570	68,570
Import Policy Analyst	13	2	58,027	116,054
Staff Attorney	13	1	58,027	58,027
Import Policy Analyst	12	2	48,796	97,592
Staff Attorney	12	1	48,796	48,796
Import Policy Analyst	7	2	27,508	<u>55,016</u>
<b>Total</b>		11		593,283
Less lapse (25.00%)		<u>(3)</u>		<u>(148,321)</u>
<b>Total full-time permanent</b>		8		444,962
2000 Pay Adjustment (4.4%)				<u>19,578</u>
				464,540

**Personnel Data**

Full-time Equivalent Employment:	
Full-time permanent	8
Other than full-time permanent	<u>0</u>
Total	8
Authorized Positions:	
Full-time permanent	11
Other than full-time permanent	<u>0</u>
Total	11

Department of Commerce  
International Trade Administration

Exhibit 15

**Operations and Administration**  
**PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
(Dollar amounts in thousands)

Activity: **Import Administration**  
Subactivity: **Import Administration**  
Program Change: **WTO Dispute Settlement Unit**

<u>Object class</u>	<u>Increase</u>
11 Personnel compensation	
11.1 Full-time permanent	465
11.3 Other than full-time permanent	0
1.5 Other personnel compensation	0
11.8 Special personnel services payments	0
11.9 <b>Total personnel compensation</b>	<b>465</b>
12.1 Civilian personnel benefits (24.55%)	114
13.0 Benefits for former personnel	0
21 Travel and transportation of persons	10
22 Transportation of things	5
23.1 Rental payments to GSA	0
23.3 Communications, utilities and miscellaneous charges	0
24 Printing and reproduction	5
25 Other services	10
26 Supplies and materials	5
31 Equipment	20
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
<b>99 Direct obligations</b>	<b>634</b>

**Department of Commerce  
International Trade Administration  
Operations and Administration  
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS  
(Dollar amounts in thousands)**

Activity: **International Trade**  
Subactivity: **U.S. & Foreign Commercial Service**

		1999									
		1998		Currently		2000		2000		Increase/	
		Actual		Available		Base		Estimate		(Decrease)	
		Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount
<b>United States and Foreign Commercial Service</b>											
Programs and Management	Pos./BA	115	16,185	115	16,026	115	15,902	115	15,902	0	0
	FTE/Obl.	93	19,385	100	16,340	100	15,902	100	15,902	0	0
Domestic Operations	Pos./BA	334	30,084	334	29,770	334	31,070	336	33,070	2	2,000
	FTE/Obl.	331	37,920	325	30,788	325	31,070	326	33,070	1	2,000
International Operations	Pos./BA	920	130,728	940	121,224	940	122,426	1,006	134,226	66	11,800
	FTE/Obl.	751	133,031	831	134,562	840	122,426	873	134,226	33	11,800
<b>POS./BA</b>		1,369	176,997	1,389	167,020	1,389	169,398	1,457	183,198	68	13,800
<b>FTE/Obl.</b>		1,175	190,336	1,256	181,690	1,265	169,398	1,299	183,198	34	13,800

**Department of Commerce  
International Trade Administration  
Operations and Administration  
JUSTIFICATION OF PROGRAM AND PERFORMANCE FOR  
UNITED STATES AND FOREIGN COMMERCIAL SERVICE**

Goals and Objectives for FY 2000

**Goals:** The goal of this subactivity is to increase the level of American business involvement in, and awareness of, the international marketplace by encouraging and enabling U.S. companies to take full advantage of export opportunities.

**Objectives:** The United States and Foreign Commercial Service (US&FCS) will achieve this Department of Commerce (DOC) subgoal by: providing accurate and timely foreign market research, trade finance-related information, and high-quality trade facilitation services to small and medium-sized enterprises (SMEs), supporting firms that have started to export and assisting them in penetrating new overseas markets; and providing high-level advocacy for U.S. companies seeking to bid on major overseas projects. Additionally, the US&FCS will continue to build the state and local export infrastructure by working to support the export expansion efforts of Trade Promotion coordinating Committee (TPCC) and cooperatively implementing the National Export Strategy (NES).

**Base Program**

The programs and activities of the US&FCS reflect the strategic vision established by the TPCC in September, 1993. That vision, embodied in the NES, is a blueprint for the effective coordination of U.S. export promotion and export financing programs to maximize opportunities for U.S. businesses in today's global marketplace. The NES calls for a more-streamlined, coherent, responsive, and effective government-wide export promotion program. Programs and resources are to be focused, and coordinated among TPCC members in order to optimize public/private sector partnerships. In response to the NES, and in the spirit of "Re-inventing Government," the US&FCS continues to focus on specific client groups and their needs, and has redesigned current programs to capitalize on the resources and capabilities of the private sector and state or local governments. The US&FCS also continues to refine its internal resource allocation processes to ensure that optimal results are produced with the appropriated government resources.

US&FCS programs are based on an in-depth assessment of the needs of U.S. business clientele, its ability to deliver services through its unique domestic and overseas field service network, and its capacity to leverage public/private export promoting organizations. US&FCS meets important client needs by: helping identify qualifying agents, distributors, and end users; providing access to timely, product and country-specific market information outlining appropriate distribution channels; and disseminating information on export financing and payment considerations. Other important needs are met by providing market sensitive trade events and effective overseas advocacy for U.S. firms.

The US&FCS focuses on SME's which have the potential to export, but require assistance in penetrating the global market. This strategy productively uses US&FCS resources to support these activities.

US&FCS continues to enhance the quality and quantity of information/market research available to U.S. firms through the National Trade Data Bank (NTDB) and its own electronic media. The recently developed Client Management System (CMS) harnesses the power of groupware technology to fulfill two important objectives; improve the ability of US&FCS to efficiently service clients, and at the same time, monitor performance and results. US&FCS has deployed CMS to all domestic offices and is currently expanding the application to all international sites. To ensure the most efficient communications capabilities in this field organization, the US&FCS is continually updating its worldwide information technology capabilities and networks.

To maximize the impact of US&FCS resources, reduce duplication of efforts, and leverage resources, the US&FCS utilize a variety of public/private partnership initiatives. The most significant is the establishment of U.S. Export Assistance Centers (USEACs), along with their corresponding District Export Assistant Centers (DEAC), which provide a "hub and spoke" network. This network combines Federal/State Governments and community organizations to improve the delivery of integrated trade promotion assistance to local businesses. USEACs serve as "hubs" which co-locate federal partners to deliver more comprehensive and seamless export assistance services to U.S. businesses, particularly in the area of information on and access to sources of trade finance.

**Programs and Management (PAM)** -- In support of ITA subgoals, the PAM unit manages programs which develop and disseminate overseas market research, provide U.S. firms with trade contact information, and provide new-to-market firms with opportunities to showcase their products and services to foreign buyers. PAM directly supports the one-on-one counseling efforts of US&FCS domestic and foreign offices through activities which include: (1) office automation and information systems support; (2) management of US&FCS products and services including client evaluation on quality and effectiveness and feedback to the overseas posts and domestic offices; (3) coordination of state/local government and private sector trade event and cooperative activities; and (4) management and administrative oversight of field activities. These efforts assure timely, responsive, high-quality service to the business community, promote continuous program improvement, and efficient field operations.

PAM office automation and information systems support includes CMS, a LotusNotes application developed for use by the Commercial Service and ITA, to both collect and manage trade contact information and automate the timely delivery of CS products and services. CMS links CS locations worldwide to clients and headquarters using sophisticated groupware software that is the foundation of a comprehensive trade promotion delivery system and as a platform for collaborative team work activities. Other critical PAM activities include: hardware procurement and installation; telecommunications and hotline support; CS-wide information technology training; and systems application development. PAM units are currently upgrading the world wide IT network and migrating users to an advanced office platform.

The Agent/Distributor Service (ADS) and International Company Profiles (ICP) provide U.S. firms with key information to help them identify and evaluate potential overseas agents and distributors. The improved Trade Opportunity Program (TOP) emphasizes high quality, product-specific leads, representing genuine intent to purchase. Dissemination of these leads has been expanded to include more states, private entities and other partnership organizations. PAM also assists firms marketing products and services overseas through the Commercial News USA (CNUSA), a program for which production was privatized in FY '96. Each issue of Commercial News USA reaches more than 143,000 potential foreign buyers, agents and distributors in 152 countries, and is accessible to an additional 774,000 international business readers via cooperative arrangements with private sector electronic bulletin boards in 19 countries. CNUSA provides an effective means for small firms to gain exposure for their products in foreign markets.

Working primarily with US&FCS overseas and domestic network, PAM develops and coordinates a host of carefully focused overseas trade promotion activities. These include trade seminars, "Matchmaker," and certified trade missions organized by state or private sector organizers; Multi-State/Catalog exhibitions; USG-sponsored trade fairs and exhibitions; and U.S. Pavilions at major international trade fairs. The "Matchmaker" delegation, in particular, provides unique opportunities for new-to-export/new-to-market firms (mainly small businesses) to have direct contact with potential agents, distributors, licensees, franchisees and joint venture partners in a structured environment that facilitates "deal-making."

In concert with TPCC recommendations, PAM encourages expanded private sector sponsorship of leading overseas and domestic trade shows through two activities: the Trade Fair Certification Program (TFC) and the International Buyer Program (IBP). These programs extend the impact of US&FCS export assistance efforts, capitalizing on the growing capability of private sector event organizers. The TFC provides the Department of Commerce endorsement and support for private sector-recruited and organized foreign trade shows that enhance U.S. firms' export promotion efforts. The TFC has supported hundreds of overseas fairs and thousands of U.S. firms since the program's inception in 1983. The TFC provides a variety of important services to the certified fair organizer in its efforts to recruit more new-to-market firms. For a Certified Fair, US&FCS personnel provide organizers with a variety of promotional assistance measures and, prior to and during the fair, US&FCS assists exhibitors via country briefings and export counseling. The International Buyer Program supports private sector trade promotion efforts at leading U.S.-based trade shows, working closely with show organizers to promote foreign buyer delegation attendance, and with U.S. companies exhibiting in the shows, providing those who express interest in exporting with value-added counseling before, during and after the show. U.S. companies' products, international marketing objectives, and regions of interest are identified and promoted with the intent of matching them with interested foreign



buyers.

PAM is also responsible for the management and administration of US&FCS activities including executive direction, special regional trade promotion initiatives capitalizing on Market Access breakthroughs, strategic resource planning, program and performance analysis, human resource policy, as well as resource allocation modeling which leads to more-efficient, rational, world-wide resource use. PAM coordinates and administers cross-cutting US&FCS initiatives, such as centrally-funded training programs and integration projects. Corollary to its resource management functions, PAM acts as the Department's liaison to the International Cooperative Administrative Support Services (ICASS) program, a cooperative financial management effort comprised of all USG agencies with personnel stationed overseas.

**Domestic Operations (DO)** -- Through its Export Assistance Centers (EACs), US&FCS serves as the primary source of Federal one-on-one export counseling assistance for SME's. This EAC network delivers the trade facilitation services directly to U.S. exporters, and potential exporters. Additionally, the network provides a unique link to the information and resources of US&FCS overseas posts. No other USG agency has this network capability.

Collectively, the domestic field network contributes to the overall mission of the US&FCS through a proven domestic service delivery system, continually expanding public and private partnerships to leverage local resources, integrating the US&FCS domestic and international field networks, and focusing efforts on key markets and sectors. Domestic offices develop a Strategic Plan, which matches U.S. Government and ITA export initiatives with the specific needs of the local business community. A key element of each Strategic Plan is a specific action plan for leveraging public and private sector resources to develop a local export assistance infrastructure. This partnership development activity is designed to meet the needs of firms at all levels of export sophistication.

Creation of the interagency USEACs was one of the foremost TPCC recommendations and Department commitments. These centers meet the challenge of providing a consistent level of federal export marketing and trade finance counseling services across the country. USEACs (hubs) coordinate Commerce's international marketing services with our trade finance partners (i.e., Export-Import Bank, SBA, state trade finance programs and private banks) to provide resident trade finance counselors. DEACs (spokes) are positioned in high export activity areas surrounding the USEACs; their sites reflect current trade patterns, bringing export assistance services "closer" to exporters. Both "hub" and "spoke" EACs are electronically linked to facilitate communication among the co-located federal agencies. The EAC concept also facilitates leveraging available resources through partnerships between local, state, federal and private partners.

US&FCS trade specialists use a wide variety of information and services from both public and private sector sources to help firms evaluate new overseas markets and take advantage of foreign sales and investment opportunities. A world-wide electronic mail network, coupled with automated information data bases, including the CD-ROM based National Trade Data Bank ( NTDB), are among the principal tools used to support clients' export objectives. The counseling services of US&FCS include assessing individual business client strengths and weaknesses, identifying key markets, developing market entry strategies, assisting in implementing those strategies, and building market share for clients with established markets overseas. Trade specialists identify trade finance problems of local clients, explain the financing options that are available and their associated costs, and assist clients in developing export finance strategies that complement their export marketing plans. Local client financing needs are matched with local or regional export finance resources, including state, federal, private banking and non-bank sources.

Rural area US&FCS trade specialists are focusing their energies on The Rural Export Initiative (REI). Begun in FY-1998, as a result of a \$1,000,000 appropriation from Congress, the REI combines information technology and partnering with local business multipliers and economic development organizations to provide export counseling to small and medium sized enterprises based in rural communities nationwide.

The nationwide network of District Export Councils (DECs) also serves to leverage Federal Export Promotion resources. Collectively, the 1,600 members from 51 DECs nationwide serve as the US&FCS' primary partner by conducting export outreach efforts, offering mentor support for exporters, serving as catalysts for trade finance network development, and sponsoring thousands of promotional initiatives, including seminars and trade events in their local communities.

Headquarters maintains partnerships with Washington, DC-based associations of trade development organizations, such as state trade development offices, chambers of commerce, world trade associations, and private sector business development groups. These organizations include the National Association of State Development Agencies, the National Governors Association, the National League of Cities, the U.S. Conference of Mayors, the U.S. Chamber of Commerce, the National Association of Counties and the Association of Small Business Development Centers. The headquarters staff develop operations policies and procedures, and monitors program implementation, field performance measures, quality control, and resources. Through the President's "E" and "E Star" Awards for Excellence in Exporting, the headquarters staff also coordinates local and national recognition of sustained, successful exporters and service organizations. DO has also initiated and continues to pursue active long term programs for technology enhancement, extended private sector partnership networks, and global integration of the Commercial Service.

**International Operations (IO)** -- The overseas offices support Departmental subgoals to "expand overseas markets for U.S. goods and services, increase U.S. exports, strengthen intellectual property rights protection and help ensure foreign government compliance with trade agreements." The overseas offices, located in 70 countries, operate with the explicit goal of implementing DOC programs abroad to inform, advise, and support U.S. business marketing efforts.

The US&FCS continues to focus its resources on markets with the greatest U.S. export potential. Commercial officers and foreign service nationals are responsible for developing and analyzing information on foreign markets and representing U.S. business interests abroad. US&FCS posts have a key role in: (1) identifying trade opportunities abroad for U.S. products; (2) counseling U.S. businesses, including information on sources of trade finance; (3) identifying potential overseas representatives for U.S. firms; (4) developing foreign market research and analysis of trade policy issues; (5) advocating U.S. company interests in major overseas projects, procurement, and market access issues; and (6) organizing and managing U.S. trade promotion events; and (7) helping ensure foreign government compliance with trade agreements that assist U.S. companies in country.

US&FCS offices provide business facilitation services for U.S. firms to help them find potential overseas agents, distributors or representatives for their products, and conduct extensive market research on best prospects for U.S. goods and services. Also, under the Export Enhancement Act, they serve as "one-stop shops" for U.S. firms seeking information on USG trade finance programs. US&FCS officers and local national employees play a vital role in identifying major projects and procurement opportunities in their host countries, including those funded by multilateral development banks, in alerting U.S. firms to these opportunities, and increasingly, aggressively advocating on behalf of U.S. firms bidding on projects with host country officials.

US&FCS officers provide extensive operational support overseas to trade finance agencies including Ex-Im Bank, OPIC, and TDA, acting, in essence, as their overseas field staff. They also support the initiatives of other Commerce units including the National Oceanic and Atmospheric Administration (NOAA--fishery export promotion includes full-time positions in Tokyo and Brussels), the National Institute of Standards and Technology (NIST), Import Administration (IA), and the Bureau of Export Administration (BXA). This effort includes market research, promotional activities, and counseling.

In support of the U.S. Trade Representative (USTR), US&FCS also monitors and reports on foreign developments affecting the formulation of U.S. trade policy, including foreign government legislative and regulatory measures, procurement practices, protection of intellectual property rights, and bidding and certifying procedures which affect U.S. trade in the host country.

US&FCS officers lead Embassy-wide efforts to create annual Country Commercial Guides of key information for the U.S. business community, including identification of best prospects for U.S. exports in the specific country. In addition, US&FCS Officers coordinate the Embassy's development of annual Strategic Commercial Plans (SCP) to most align USG resources toward advancing commercial objectives in the specific country market. The SCP establishes Embassy-wide commercial priorities incorporating the role of all relevant sections of the Embassy team in areas of trade events, information gathering, advocacy, finance and trade policy.

Efforts overseas are directed toward helping export capable firms find suitable representation abroad, providing market counseling and initiating business and Government contacts on their behalf. Posts identify and disseminate specific new trade opportunities in host markets, support their export market objectives with programs tailored to their needs, and encourage their participation in a variety of trade events. US&FCS officers also intercede on behalf of U.S. firms experiencing payment delays and a wide variety of other business

disputes. US&FCS officers work closely with American Chambers of Commerce and other U.S. business groups overseas, as well as other agencies in U.S. missions, such as the Foreign Agricultural Service, in promoting U.S. sales abroad.

The US&FCS personnel offices are responsible for building a highly motivated, well-trained corps of commercially-oriented career officers. These officers are selected through a competitive process. Entry and mid-level training of officers, processing of assignments, language training and training programs for FSNs are also the responsibility of these offices.

Washington headquarters manages overseas field operations, determining levels of financial and personnel resources required, based on the overseas resource allocation model; monitoring program implementation overseas, including planning, budgeting, overseas security and logistical support; developing techniques and strategies to further U.S. commercial objectives; and advancing U.S. exporter interests in inter-agency venues. It also operates an "early warning" system to notify U.S. business of major projects overseas funded by multilateral development banks, and provides special assistance in overseas markets with special conditions or problems.

**Summary of Workload and Performance Data**

	<b><u>FY 1997</u></b>	<b><u>FY 1998</u></b>	<b><u>FY 1999</u></b>	<b><u>FY 2000</u></b>
	<b><u>Actual</u></b>	<b><u>Estimate</u></b>	<b><u>Estimate</u></b>	<b><u>Estimate</u></b>
<b><u>Performance Measures:</u></b>				
# of non-advocacy export actions	14,017	11,769	13,462	14,800
# Export actions resulting from overseas Post Advocacy (began FY 94)				
Percent of users' reporting export orders (survey respondents)	634	650	650	650
ADS program	41	40	40	40
Matchmaker program	65	75	75	75
Multi-State/Catalog Exhibition program	23	30	30	30
Trade Opportunity program	50	50	50	50
TFC program <sup>1</sup>				
Percent of users satisfied/very satisfied (survey respondents)	n/a	n/a	n/a	n/a
ADS program	52	52	52	52
CMA program	65	85	85	85
Matchmaker program	85	85	85	85
Multi-State/Catalog Exhibition program	41	43	45	45
TFC program <sup>2</sup>	93	93	93	95
Trade Opportunity program	69	80	80	80
Commercial News USA	78	78	78	78
Domestic Office Counseling	92	92	92	92
Percent of users who would use again (survey respondents)				
ADS program	67	67	70	
CMA program	63	95	95	
Matchmaker program	85	85	85	
Multi-State/Catalog Exhibition program	56	60	60	
Commercial News USA	84	84	84	
Domestic Office Counseling	90	90	90	

<sup>1</sup> Discontinued the six-month delay survey for exhibitors and replaced with an immediate snapshot survey of show organizers, for which export orders is not an appropriate measure.

<sup>2</sup> As of FY 96, surveys are based on organizer as opposed to exhibitor satisfaction, which was previously reported.

	<b>FY 1997</b>	<b>FY 1998</b>	<b>FY 1999</b>	<b>FY 2000</b>
	<b><u>Actual</u></b>	<b><u>Estimate</u></b>	<b><u>Estimate</u></b>	<b><u>Estimate</u></b>
<b><u>Workload Measures:</u></b>				
Trade facilitation session, domestic and overseas:				
Domestic facilitation sessions . . . . .	54,481 <sup>3</sup>	65,377	78,452	85,000
Overseas trade facilitation sessions . . . . .	201,927	204,000	204,000	210,000
# of firms participating in all trade events . . . . .	7970	8400	8800	9,090
Post initiated overseas promotion events(under \$5,000) . . . . .	235	229	229	250
Post initiated overseas promotion events (over \$5,000) . . . . .	12	15	20	25
Overseas trade promotion events held by US&FCS . . . . .	350	370	390	415
Overseas CTMs supported (Gov/Cong-Led) . . . . .	30	30	30	38
Other overseas TMs supported (state/local, gov/ind/assoc) . . . . .	32	35	35	40
TMs organized by other TPCC agencies . . . . .	8	10	10	12
# Trade/Solo Fairs overseas recruited . . . . .	83	90	90	95
# Trade/Solo Fairs US&FCS/TD recruited . . . . .	15	15	15	17
# Certified Trade Fairs . . . . .	61	70	70	73
# Multi-State/Catalog Exhibition Shows . . . . .	3	4	4	5
# Other Catalog Exhibition Shows . . . . .	54	60	60	63
# Gold Keys supported . . . . .	1384	1400	1400	1,450
International Buyer Program (IBP) events held . . . . .	24	24	24	30
Agent Distributor reports requested . . . . .	1254	1300	1300	1,380
International Company Profile requested <sup>4</sup> . . . . .	734	600	600	650
International Market insight reports . . . . .	6997	7600	7600	8,300
Matchmaker trade delegations . . . . . 9	12	14	25	
Customized Market Analysis (CMA) . . . . .172	200	200	230	
Industry-subsector analysis . . . . .	624	700	700	750
Commercial News USA copies distributed . . . . .	113,900	120,000	125,000	145,000

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<sup>3</sup> Revised to reflect ITA-wide definition of counseling sessions.

<sup>4</sup> Formerly World Trader Data Reports. Program is being phased out in developed markets where similar private sector services are available.

**Department of Commerce  
International Trade Administration  
INCREASE FOR FY 2000  
US&FCS Strategy 2000: Africa  
(Dollar amounts in thousands)**

	<u>2000 Base</u>		<u>2000 Estimate</u>		<u>Increase</u>	
	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
International Operations... . . . . Pos./BA	940	122,426	964	126,626	24	4,200
FTE/Obl.	840	122,426	852	126,626	12	4,200

**US&FCS Strategy 2000: Africa (12 FTE, +\$4,200,000)** -This increase allows US&FCS to implement major elements of the Department's broad-based *Broadening Trade Initiative*. Numerous aspects of a new comprehensive trade strategy in Africa will be funded, including: opening and staffing 6 new commercial posts in Africa in countries with no US&FCS presence, namely, Mozambique, Namibia, Ethiopia, Eritrea, Senegal, and Uganda; the establishment of an Africa-based training center for Foreign Commercial Service Officers, State Department Officers, and State Department FSNs to train them in delivery of US&FCS products and services; and the creation of an Information Technology/E-Commerce Coordinator (based in the new Ronald Brown Commercial Center in Johannesburg) for Africa to direct and coordinate all IT and E-Commerce projects on the continent

US&FCS will also establish an African Trade Information Center (AFTIC), which will act as a clearing house of information on African markets and industry sector developments. The AFTIC will be a virtual and physical source for trade information on all 48 countries of Sub-Saharan Africa. The AFTIC will be located in the Commercial Center in Johannesburg, and will be linked to a satellite location in western Europe. This structure is designed to maximize access to and communication with the overseas offices of American firms seeking to explore and develop new markets in Africa, companies who will use their current overseas operations as a jumping-off point into Africa markets.

This increase will enhance the accomplishment of the following DOC/ITA Strategic Theme, Goal, and Objectives:

**STRATEGIC THEME 1 - - ECONOMIC INFRASTRUCTURE**

Build for the future and promote U.S. competitiveness in the global market by strengthening and safeguarding the nation's economic infrastructure.

**GOAL A**

Implement the President's National Export Strategy in conjunction with the Trade Promotion Coordinating Committee.

**OBJECTIVES**

- o Strengthen trade advocacy, trade promotion, and the Trade Promotion Coordinating Committee.
- o Increase trade assistance targeted to small and medium-sized businesses.
- o More closely align trade objectives with U.S. foreign policy.

**GOAL C**

Strengthen and institutionalize trade and advocacy efforts, placing special emphasis on new and improving markets.

## OBJECTIVE

- o Continue emphasis on trade with new and improving markets without losing focus on mature markets.

Commerce's *Broadening Trade Initiative*, recognizes that Africa is a very important component and offers vital commercial opportunities for American business in the coming years. US&FCS' Africa increase will help provide the resources necessary to assist American firms to fully capitalize on the opportunities in a fast-growing but still largely undeveloped region of the world. Africa represents the last commercial frontier for the global economy and as such, offers superb potential for American business who can gain a foothold in the region. The challenges and obstacles inherent in this market, however, are perhaps unparalleled in the world. U.S. businesses will require a broad spectrum of export assistance and business facilitation services in order to realize the potential of the African market.

Africa's less-developed status and very modest return on investment has traditionally precluded allocation of resources to developing interest in African markets. This will all change in the 21st Century as Africa becomes the final region to experience modern development. Finite resources have not allowed the Commercial Service to position itself to take advantage of opportunities in the distant future, but now, that future is upon us. US&FCS will be called upon to provide the platform of core export assistance services crucial to U.S. companies wishing to enter and expand in overseas markets. Newly-served markets require efforts on the part of the Commercial Service to expand the scope of our expertise, services, and staffing. US&FCS is also committed to further development of our export strategy in South Africa, particularly through supporting the new Commercial Center in Johannesburg and its pioneering role as the Gateway to Africa.

## RESULTS:

- o Effective presence in new markets where the Commercial Service currently has no staff.
- o Increased number of export actions for Africa, especially for firms new to this market.
- o Support achieved for U.S. foreign policy objectives.

<b><u>Performance Measure:</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>
Export Actions	52	104	104	104	104
Clients Counseled	855	1,710	1,710	1,710	1,710
Counseling Sessions	2,635	5,270	5,270	5,270	5,270
Matching Services (Gold Keys)	19	38	38	38	38
# New-to-Export	136	272	272	272	272
# New-to-Market	360	720	720	720	720
<b><u>Cost and Benefits:</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>
Capitalized	769	769	769	769	769
Uncapitalized	3,431	4,065	4,065	4,065	4,065
Total	4,200	4,834	4,834	4,834	4,834
Budget Authority	4,200	4,834	4,834	4,834	4,834
Outlays	2,940	4,224	4,771	4,834	4,834
FTE	12	24	24	24	24



**Department of Commerce  
International Trade Administration  
Operations and Administration  
PROGRAM CHANGE DETAIL BY OBJECT CLASS**

Exhibit 14

Activity: **US and Foreign Commercial Service**  
Subactivity: **International Operations**  
Program Changes: **US&FCS Strategy 2000: Africa**

<u>Title:</u>	<u>Grade</u>	<u>Number</u>	<u>Annual Salary</u>	<u>Total Salaries</u>
Foreign Commercial Officer	OF-01	7	74,773	523,411
Foreign Commercial Officer	OF-03	8	49,095	392,760
International Trade Specialist (ABC Specialist)	GS-13	1	58,027	58,027
Foreign Service National		8	30,000	240,000
Total		24		<b>1,214,198</b>
Less lapse (50.00%)		12		(607,099)
Total full-time permanent		12		<b>607,099</b>
Pay Adjustment (4.4%)				26,712
<b>TOTAL</b>				<b>633,811</b>

**Personnel Data**

Full-time Equivalent Employment:

Full-time permanent	12
Other than full-time permanent	0
Total	<b>12</b>

Authorized Positions:

Full-time permanent	24
Other than full-time permanent	0
Total	<b>24</b>

**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
(Dollar amounts in thousands)

Exhibit 15

Activity: **U.S. and Foreign Commercial Service**  
Subactivity: **International Operations**  
Program Changes: **US&FCS Strategy 2000: Africa**

<u>Object class</u>	<b>FY 2000</b>
	<u>Increase</u>
11 Personnel compensation	
11.1 Full-time permanent	634
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	0
11.9 <b>Total personnel compensation</b>	<b>634</b>
12.1 Civilian personnel benefits (24.55%/45%)	285
13.0 Benefits for former personnel	0
21 Travel and transportation of persons	210
22 Transportation of things	15
23.1 Rental payments to GSA	0
23.2 Rental payments to others	982
23.3 Communications, utilities and miscellaneous charges	225
24 Printing and reproduction	23
25 Other services	942
26 Supplies and materials	115
31 Equipment	769
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
<b>99 Total obligations</b>	<b>4,200</b>

**Department of Commerce  
International Trade Administration  
INCREASE FOR FY 2000  
Joint Program for Establishment of Standards Attaches**  
(Dollar amounts in thousands)

		<u>2000 Base</u>		<u>2000 Estimate</u>		<u>Increase</u>	
		<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
International Operations...	Pos./BA	940	122,426	946	123,426	6	1,000
	FTE/Obl.	840	122,426	843	123,426	3	1,000

**Joint Program for Establishment of Standards Attaches (3 FTE, +\$ 1,000,000)** -This increase will fund the establishment of new Standards Attache positions in Commercial Service posts in Russia, China and South Africa (additional posts may be added in out years). These new Standards Attaches would also be able to serve other posts in each region and would be responsible for the development and execution of a new, cooperative training program with NIST for Commercial Service Officers to become Standards Attaches. Funding will also support multiple temporary duty assignments for NIST personnel to provide technical expertise at US&FCS posts in the field.

This increase will enhance the accomplishment of the following DOC/ITA Strategic Theme, Goal, and Objectives:

**STRATEGIC THEME 1 - - ECONOMIC INFRASTRUCTURE**

Build for the future and promote U.S. competitiveness in the global market by strengthening and safeguarding the nation's economic infrastructure.

**GOAL A**

Implement the President's National Export Strategy in conjunction with the Trade Promotion Coordinating Committee.

**OBJECTIVES**

- o Strengthen trade advocacy, trade promotion, and the Trade Promotion Coordinating Committee.
- o Increase trade assistance targeted to small and medium-sized businesses.
- o More closely align trade objectives with U.S. foreign policy.

The world is currently seeing new standards regimes at their genesis in important emerging markets in Russia, China, and South Africa. World market standards are key to the US&FCS trade promotion mission, because market opportunities for U.S. companies will be seriously compromised if standards for new markets, especially very large markets, are developed in a non-transparent, exclusive fashion without regard to harmonization. If U.S. goods are not compatible with the standards of such large markets, U.S. exporters will either be effectively closed out of those markets, or be forced to substantially retool their product line at great expense. Therefore, standards coordination is a crucial infrastructure element of international trade.

The Department has technical expertise in international standards and the development of standards regimes already in-house within NIST. Coordination between Commercial Officers and NIST technical experts is a natural synthesis of trade and technical expertise to benefit U.S. businesses in a new and important way.

#### RESULTS:

- o Preserve/ increase export actions that might otherwise be lost if U.S. products failed to conform to country-specific standards.
- o Improved ability to advocate for U.S. companies and products as they go through the certification procedure in each country.

<b><u>Performance Measure:</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>
Export Actions	17	34	34	34	34
Clients Counseled	270	540	540	540	540
Counseling Sessions	826	1,652	1,652	1,652	1,652
Matching Services (Gold Keys)	6	12	12	12	12
# New-to-Export	46	92	92	92	92
# New-to-Market	105	210	210	210	210
<b><u>Cost and Benefits:</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>
Capitalized	130	130	130	130	130
Uncapitalized	870	1,034	1,034	1,034	1,034
Total	1,000	1,164	1,164	1,164	1,164
Budget Authority	1,000	1,164	1,164	1,164	1,164
Outlays	700	1,015	1,048	1,164	1,164
FTE	3	6	6	6	6

**International Trade Administration**  
**Operations and Administration**  
**PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
(Dollar amounts in thousands)

Activity: **U.S. and Foreign Commercial Service**  
Subactivity: **International Operations**  
Program Change: **Joint Program for the Establishment of Standards Experts**

<u>Title:</u>	<u>Grade</u>	<u>Number</u>	<u>Annual Salary</u>	<u>Total Salaries</u>
Foreign Commercial Officer	OF-01	3	74,773	224,319
Foreign Service National		3	30,000	90,000
Total		<u>6</u>		<u>314,319</u>
Less lapse (50.00%)		<u>(3)</u>		<u>(157,160)</u>
Total full-time permanent		3		<u>157,159</u>
Pay Adjustment (4.4%)				6,915
<b>TOTAL</b>				<u><b>164,074</b></u>

**Personnel Data**

Full-time Equivalent Employment:

Full-time permanent	3
Other than full-time permanent	<u>0</u>
Total	<u><b>3</b></u>

Authorized Positions:

Full-time permanent	6
Other than full-time permanent	<u>0</u>
Total	<u><b>6</b></u>

**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
(Dollar amounts in thousands)

Exhibit 15

Activity: **U.S. and Foreign Commercial Service**  
Subactivity: **International Operations**  
Program Changes: **Joint Program for Establishment of Standards Attaches**

<u>Object class</u>	<b>FY 2000</b> <u><b>Increase</b></u>
11 Personnel compensation	
11.1 Full-time permanent	164
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	0
11.9 <b>Total personnel compensation</b>	<b>164</b>
12.1 Civilian personnel benefits (45.%)	74
13.0 Benefits for former personnel	0
21 Travel and transportation of persons	55
22 Transportation of things	0
23.1 Rental payments to GSA	0
23.2 Rental payments to others	217
23.3 Communications, utilities and miscellaneous charges	49
24 Printing and reproduction	15
25 Other services	250
26 Supplies and materials	46
31 Equipment	130
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
<b>99 Total obligations</b>	<b>1,000</b>

**Department of Commerce  
International Trade Administration  
U.S. and Foreign Commercial Service  
INCREASE FOR FY 2000  
Joint Export Technology Project with NIST/MEPs  
(Dollar amount in thousands)**

		<u>FY 2000 Base</u>		<u>FY 2000 Estimate</u>		<u>Increase</u>	
		<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
<b>Domestic Operations. . . .</b>	<b>Pos./BA.</b>	<b>334</b>	<b>31,070</b>	<b>336</b>	<b>33,070</b>	<b>2</b>	<b>2,000</b>
	<b>FTE/Obl.</b>	<b>325</b>	<b>31,070</b>	<b>326</b>	<b>33,070</b>	<b>1</b>	<b>2,000</b>

**Joint Export Technology Project with NIST/MEPs(1 FTE, \$ 2,000,000)** - This increase will fund a new collaborative program involving US&FCS domestic field operations and Technology Administrations National Institute of Standards and Technology. Funds will be used to develop a joint program between US&FCS Export Assistance Centers (EACs) and NIST's Manufacturing Extension Partnership (MEP) centers to work with companies engaged in developing new technology, products, and technology applications which are approaching a point of readiness to enter the market. US&FCS assistance in this process will allow these pioneering companies to enter export markets as quickly and easily as entry into the U. S. Market.

This project includes funding for:

- o The development of partnerships between US&FCS, EACs, MEP centers, and state, local private sector, and other export promotion stakeholders. Corollary to this, EACs and their partners will be introduced as partners in the existing relationships between MEP centers and manufacturers who are "export-ready";
- o Examination and evaluation of the methodology of informal pilot projects already in progress in three mid-western offices, followed by the establishment, through a competitive process, of structured pilot projects and/or activities involving centers in a regional partnership. These would include projects with industry sectors, targeted trade-region projects with specific emerging opportunities, and targeted trade-region projects using a specific state or local partner;
- o Formalized partnerships between MEP centers and EACs resulting in joint/reciprocal staff training, joint conferences, and TDY assignments for MEP specialists; MEP participation in appropriated TPCC activities; planning funds for strategic co-location of MP centers and EACs where practical; and
- o Joint promotion/marketing efforts targeting manufacturing-based SMEs; development and implementation of new products and tools to be used to increase SME penetration of export markets.

This increase will enhance the accomplishment of the following DOC/ITA strategic Theme, Goal, and Objectives:

**STRATEGIC THEME 1 - - ECONOMIC INFRASTRUCTURE**

Build for the future and promote U.S. competitiveness in the global market for strengthening and safeguarding the nation's economic infrastructure.

**GOAL A**

Implement the President's National Export Strategy in conjunction with the Trade Promotion Coordinating Committee.

**OBJECTIVES**

- o Strengthen trade advocacy, trade promotion, and the Trade Promotion Coordinating Committee.
- o Increase trade assistance targeted to small and medium-sized businesses.



## STRATEGIC THEME 2 - - SCIENCE/TECHNOLOGY/INFORMATION

The Department of Commerce promotes job creation, economic growth, sustainable development, and improved living standards for all Americans, by working in partnership with business, universities, communities, and workers, to: Keep America competitive with cutting-edge science and technology and an unrivaled information base.

### GOAL C

Employ ITA's comprehensive industry sector, technical, and country information bases to counsel small and medium-sized U.S. firms on appropriated export strategies and provide comprehensive, up-to-date technical, country and industry-specific information and analysis to the USTR for trade negotiations.

Combining forces between US&FCS and NIST/MEPs is a natural means to assist our core client base of small and medium-sized enterprises (SMEs). US&FCS and NIST/MEPs will be able to capitalize on each other's expertise in order to open international markets to new-to-export SMEs, a key output performance measure for US&FCS. US&FCS provides export assistance to companies through experience trade specialists and Commercial Service Officers located in 104 offices across the United States and offices in 70 countries throughout the world. NIST/MEPs provide technology and general business development assistance to a diverse client base throughout the country through a network of over 2,000 field agents located at over 400 sites. In order for this partnership to be effective, and to not duplicate existing services provided by each agency, NIST/MEPs will nurture manufacturers to the point of being "export ready" (i.e., having an exportable product and having a management commitment to export) and US&FCS will provide international market research, market entry strategies, and trade finance information.

This cooperative initiative will result in an increase in the number of new-to-export and new-to-market firms by: creating a dynamic synergy of US&FCS and MEPs client bases; utilizing MEPs ability to help firms develop readiness for the export market and US&FCS' expertise in all aspects of the "how to" of exporting; and through the world wide network of US&FCS offices. It will also eliminate needless duplication of effort and strengthen weak links in the existing export assistance programs available to SMEs by drawing against the core expertise. This initiative will promote the conceptual goal of providing clients with a simplified "one-stop shop" information source. Lastly, this initiative will provide a better quality of service to client firms through cooperation between units performing complementary functions.

### RESULTS:

- o Increased export actions and increased percentage of exports from high technology sectors, a vital US export market.
- o Increased numbers of new-to-export and new-to market firms assisted by US&FCS, which are key outcome performance measures for US&FCS.
- o Improved assistance to small and medium-sized enterprises, which are in the greatest need of such advice and support in these developing markets.
- o Better service to SME clients.

**Performance Measures:**

	<u><b>2000</b></u>	<u><b>2001</b></u>	<u><b>2002</b></u>	<u><b>2003</b></u>	<u><b>2004</b></u>	
Counseling Sessions		1,200	2,400	2,500	2,600	2,700
Number of Clients	25	50	65	75	85	
New-to-Export Firms	5	15	25	35	50	
New-to-Market Firms	20	50	75	100	125	

**Cost and Benefits:**

Capitalized Equipment	915	915	915	915	915	
Uncapitalized	1,085	2,010	2,010	2,010	2,010	
Total	2,000	2,025	2,025	2,025	2,025	
Budget Authority	2,000	2,025	2,025	2,025	2,025	
Outlays	1,400	1,818	2,023	2,025	2,025	
FTE	1	2	2	2	2	

**Department of Commerce**  
**International Trade Administration**  
**U.S. and Foreign Commercial Service**  
**PROGRAM CHANGE PERSONNEL DETAIL BY PERSONNEL DETAIL**

Exhibit 14

Activity: **U.S. and Foreign Commercial Service**  
 Subactivity: **Domestic Operations**  
 Program Change: **Joint Export Technology Project with NIST/MEPs**

<u>Title:</u>	<u>Grade</u>	<u>Number</u>	<u>Annual Salary</u>	<u>Total Salaries</u>
International Trade Specialist	GS-12	<u>2</u>	48,796	<u>97,592</u>
Total		2		97,592
Less lapse 25.00%		<u>(1)</u>		<u>(24,398)</u>
Total full-time permanent:		1		73,194
2000 Pay Adjustment ( 4.4%)				<u>3,221</u>
<b>Total</b>				<b>76,415</b>

**Personnel Data**

Full-time Equivalent Employment:	
Full-time permanent	1
Other than full-time permanent	<u>0</u>
<b>Total</b>	<b>1</b>
Authorized Positions:	
Full-time permanent	2
Other than full-time permanent	<u>0</u>
<b>Total</b>	<b>2</b>

**Department of Commerce**  
**International Trade Administration**  
**U.S. and Foreign Commercial Service**  
**PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
(Dollar amounts in thousands)

Exhibit 15

Activity: **U.S. and Foreign Commercial Service**  
Subactivity: **Domestic Operations**  
Program Change: **Joint Export Technology Project with NIST/MEPs**

<u>Object class</u>	<u>Increase</u>
11 Personnel compensation	
11.1 Full-time permanent	76
11.3 Other than full-time permanent	0
1.5 Other personnel compensation	0
11.8 Special personnel services payments	0
11.9 <b>Total personnel compensation</b>	<b>76</b>
12.1 Civilian personnel benefits (24.55%)	19
13.0 Benefits for former personnel	0
21 Travel and transportation of persons	25
22 Transportation of things	2
23.1 Rental payments to GSA	0
23.3 Communications, utilities and miscellaneous charges	21
24 Printing and reproduction	23
25 Other services	902
26 Supplies and materials	17
31 Equipment	915
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
<b>99 Direct obligations</b>	<b>2,000</b>

**Department of Commerce  
International Trade Administration  
INCREASE FOR FY 2000  
Key Expansion in the Western Hemisphere/Latin America  
(Dollar amounts in thousands)**

	<u>2000 Base</u>		<u>2000 Estimate</u>		<u>Increase</u>	
	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
<b>International Operations...</b>	<b>940</b>	<b>122,426</b>	<b>952</b>	<b>124,426</b>	<b>16</b>	<b>2,000</b>
Pos./BA	840		846		16	
FTE/Obl.	840	122,426	846	124,426	16	2,000

**Key Expansion in the Western Hemisphere/Latin America(8 FTE, +\$2,000,000)** -This increase will fund several new projects and place officers and FSN support staff in currently unstaffed Central American countries, allowing US&FCS to provide a wide range of services in these new locations. In addition, funds will be used to upgrade US&FCS operations in countries that are currently under-represented. These upgrades will allow the US&FCS to respond to its clients by providing a wider range of export assistance services. This increase request is part of the US&FCS's overall development strategy of core service delivery capabilities in the Western Hemisphere designed to meet the growing needs of our clients.

New projects funded by this increase will include:

- o Upgrade the US&FCS presence in Montevideo from partner-post status to a fully serviced and staffed post managed by a mid-level Commercial Services Officer with support staff (3 FTE total);
- o Expansion of operations and service delivery capability in under-served areas of Mexico, Argentina, and Brazil;
- o Establish new US&FCS posts in Central America and the Caribbean (3 FTE).

This increase will enhance the accomplishment of the following DOC/ITA Strategic Theme, Goal, and Objectives:

**STRATEGIC THEME 1 - - ECONOMIC INFRASTRUCTURE**

Build for the future and promote U.S. competitiveness in the global market by strengthening and safeguarding the nation's economic infrastructure.

**GOAL A**

Implement the President's National Export Strategy in conjunction with the Trade Promotion Coordinating Committee.

**OBJECTIVES**

- o Strengthen trade advocacy, trade promotion, and the Trade Promotion Coordinating Committee.
- o Increase trade assistance targeted to small and medium-sized businesses.
- o More closely align trade objectives with U.S. foreign policy.

**GOAL C**

Strengthen and institutionalize trade and advocacy efforts, placing special emphasis new and under-served markets.

**OBJECTIVE**

- o Continue emphasis on trade with new and improving markets without losing focus on mature markets.

The embrace of democratic and free market principles in Central and South America in the 1990s will radically altered the region's commercial environment in the 21<sup>st</sup> century. Privatization, deregulation, and increased market access have become the operative words of this new environment. The Western Hemisphere contains the two largest markets for U.S. exports (Canada and Mexico) and has generated the highest rate of U.S. export growth in recent years. In fact, the Western Hemisphere accounted for 40 percent of Americas exports, which totaled \$678 billion in 1997, and accounted for two-thirds of global economic growth in 1997. U.S. export growth to Latin America is up 150 percent since 1990. This region encompasses 34 democratic nations with some of the worlds highest rates of economic development.

The movement toward the establishment of the Free Trade Area of the Americas (FTAA) by 2002 will precipitate a corresponding geometric increase in demand for US&FCS services in the region. Currently, many of these markets are under-staffed and service could be improved. US&FCS needs to plan and position its resources now to be ready to seize upon the new market opportunities that will develop in conjunction with the conclusion of the FTAA process.

For these reasons, as well as the close proximity of these markets to the United States, countries in the Western Hemisphere are particularly attractive to the US&FCS' core clients -- small and medium-sized enterprises, especially those companies that are exporting for the first time. The interest in these markets necessitates the allocation of additional resources to US&FCS operations in this region. Absent additional personnel and funding for Market Research, the US&FCS will not be able to meet the growing needs of our clients in the region.

The US&FCS has identified upgrading our current skeleton crew in under-served Montevideo, Uruguay, to being a fully staffed and serviced post as its top priority. These upgrades will allow US companies direct access to the MERCOSUR Secretariat, the nexus of decision-making for the most important regional trading bloc in Latin America. Theses upgrades will also free up critical resources in the US&FCS's office in Argentina, which currently services Uruguay, to devote to important projects in Argentina. New offices in Central and South America will provide support to American companies seeking opportunities in newly-emerging economies. In addition, by expanding US&FCS operations in Brazil, Argentina, and Mexico to major industrial cities outside of the capitals, US&FCS will be able to directly connect U.S. companies with potential business partners.

#### RESULTS:

- o Effective presence in new markets where the Commercial Service currently has no staff or is under-represented.
- o Increased number of export actions to the Western Hemisphere, an important region for future export growth.
- o Support achieved for U.S. foreign policy objectives, specifically, the FTAA.
- o Better service to US&FCS' core clients -- small and medium-sized exporters, resulting in more new-to-market and new-to-export clients served.

<b><u>Performance Measure:</u></b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Export Actions	29	58	58	58	58
Clients Counseled	466	932	932	932	932
Counseling Sessions	1,437	2,874	2,874	2,874	2,874
Matching Services	10	20	20	20	20
(Gold Keys)					
# New-to-Export	74	148	148	148	148
# New-to-Market	196	392	392	392	392
<b><u>Cost and Benefits:</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>
Capitalized	355	355	355	355	355
Uncapitalized	1,645	2,029	2,029	2,029	2,029
Total	2,000	2,384	2,384	2,384	2,384
Budget Authority	2,000	2,384	2,384	2,384	2,384
Outlays	1,400	1,869	2,346	2,384	2,384
FTE	8	16	16	16	16

**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
(Dollar amounts in thousands)

Exhibit 14

Activity: **US and Foreign Commercial Service**  
Subactivity: **International Operations**  
Program Changes: **Key Expansion in the Western Hemisphere/Latin America**

<u>Title:</u>	<u>Grade</u>	<u>Number</u>	<u>Annual Salary</u>	<u>Total Salaries</u>
Foreign Commercial Officer	OF-01	2	74,773	149,546
Foreign Commercial Officer	OF-02	2	60,589	121,178
Foreign Commercial Officer	OF-03	4	49,095	196,380
International Trade Specialist	GS-13	1	58,027	58,027
Foreign Service National		7	30,000	210,000
Total		16		<b>735,131</b>
Less lapse (50.00%)		(8)		(367,566)
Total full-time permanent		8		<b>367,565</b>
Pay Adjustment (4.4%)				16,173
<b>TOTAL</b>				<b>383,738</b>

**Personnel Data**

Full-time Equivalent Employment:

Full-time permanent	8
Other than full-time permanent	0
Total	<b>8</b>

Authorized Positions:

Full-time permanent	16
Other than full-time permanent	0
Total	<b>16</b>



**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
(Dollar amounts in thousands)

Exhibit 15

Activity: **U.S. and Foreign Commercial Service**  
Subactivity: **International Operations**  
Program Changes: **Key Expansion in the Western Hemisphere/Latin America**

<u>Object class</u>	<u>FY 2000</u> <u>Increase</u>
11 Personnel compensation	
11.1 Full-time permanent	384
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	0
11.9 <b>Total personnel compensation</b>	<b>384</b>
12.1 Civilian personnel benefits (24.55%/45%)	167
13.0 Benefits for former personnel	0
21 Travel and transportation of persons	100
22 Transportation of things	7
23.1 Rental payments to GSA	0
23.2 Rental payments to others	401
23.3 Communications, utilities and miscellaneous charges	80
24 Printing and reproduction	11
25 Other services	460
26 Supplies and materials	50
31 Equipment	340
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
<b>99 Total obligations</b>	<b>2,000</b>

**Department of Commerce  
International Trade Administration  
INCREASE FOR FY 2000  
Asia-Pacific Strategy  
(Dollar amounts in thousands)**

	<u>2000 Base</u>		<u>2000 Estimate</u>		<u>Increase</u>	
	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
<b>International Operations . . . . . Pos./BA</b>	<b>940</b>	<b>122,426</b>	<b>960</b>	<b>127,026</b>	<b>20</b>	<b>4,600</b>
<b>FTE/Obl.</b>	<b>840</b>	<b>122,426</b>	<b>850</b>	<b>127,026</b>	<b>10</b>	<b>4,600</b>

**Asia-Pacific Strategy(10 FTE, +\$4,600,000)** -This increase will fund several new projects and place officers in several new, currently under-served countries as part of the US&FCS overall trade strategy in Chinese Economic Area and the Asia-Pacific region. Specific projects include: increasing the number of commercial officers in China by placing one officer each in two additional Chinese provinces, along with three foreign service national (FSN) staffers at each site; adding PSC and FSN staff to the commercial section in Chengdu, Sichuan Province, and Shenyang, Liaoning Province; Opening a commercial office in Dalian (Liaoning Province), which is becoming a major trade center in northeast China. US&FCS will also increase the number of PSC and FSN staff in Vietnam, particularly in Ho Chi Minh City, and open two new US&FCS offices in the region. A portion of this increase (approximately 20%) will also fund a region-wide training initiative consisting of several region-wide training sessions focusing on administration, trade promotion, and selected industry sectors. Funds will also be apportioned for the important function of increasing our commercial sections' travel budget to permit expanded outreach.

This increase will enhance the accomplishment of the following DOC/ITA Strategic Theme, Goal, and Objectives:

**STRATEGIC THEME 1 - - ECONOMIC INFRASTRUCTURE**

Build for the future and promote U.S. competitiveness in the global market by strengthening and safeguarding the nation's economic infrastructure.

**GOAL A**

Implement the President's National Export Strategy in conjunction with the Trade Promotion Coordinating Committee.

**OBJECTIVES**

- o Strengthen trade advocacy, trade promotion, and the Trade Promotion Coordinating Committee.
- o Increase trade assistance targeted to small and medium-sized businesses.
- o More closely align trade objectives with U.S. foreign policy.

**GOAL C**

Strengthen and institutionalize trade and advocacy efforts, placing special emphasis on the Big Emerging Markets

**OBJECTIVE**

- o Continue emphasis on trade with the BEMs without losing focus on mature markets.

Over the medium to long term, China represents the largest, and potentially the fastest-growing, export market for U.S. goods and services in the world. Business opportunities

abound in China, but they are often hard to seize, and competition from other sophisticated exporters makes it difficult for small and medium-sized firms, in particular, to reap all the benefits of the opening of China's market. US&FCS recognizes that there is also immense potential for growth also in Vietnam, with a population of over 70 million, and, to a lesser extent, in other countries of the region which will come into their own economically after the current Asian financial crisis passes. The region also contains numerous island nations with small but promising niche markets -such as mining and tourist industries- that are worth exploring for U.S. export potential.

The US&FCS already plays a crucial role in assisting U.S. exporters in China and Vietnam. Given China's size, and the enormous expansion of its economic activity as overall growth continues at a pace approaching 10% per year on average, increasing the US&FCS presence over a larger area is an indispensable condition to improving our effectiveness in that country. We must also seize the opportunities this explosive growth offers by providing our officers with better-trained national staff, who constitute the backbone of our operations throughout the world, but are inadequately prepared (due to restrictive host government regulations) in China and most developing countries, such as Vietnam.

#### RESULTS:

- o Effective presence in new markets where the Commercial Service currently has no staff.
- o Increase in the number of export actions to China and the Asia-Pacific region.
- o Improved assistance to small and medium-sized firms, which are in the greatest need of such advice and support in these developing markets.
- o Support the BEMs Strategy in the Chinese Economic Area.

Export Actions	48	96	96	96	96
Clients Counseled	777	1,554	1,554	1,554	1,554
Counseling Sessions	2,395	4,790	4,790	4,790	4,790
Matching Services (Gold Keys)	17	34	34	34	34
# New-to-Export	124	248	248	248	248
# New-to-Market	327	754	754	754	754

<b><u>Cost and Benefits:</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>
Capitalized	860	860	860	860	860
Uncapitalized	3,740	4,328	4,328	4,328	4,328
Total	4,600	5,188	5,188	5,188	5,188
Budget Authority	4,600	5,188	5,188	5,188	5,188
Outlays	3,220	4,553	5,130	5,189	5,189
FTE	10	20	20	20	20

Department of Commerce  
International Trade Administration  
Operations and Administration  
**PROGRAM CHANGE DETAIL BY OBJECT CLASS**

Exhibit 14

Activity: **US and Foreign Commercial Service**  
Subactivity: **International Operations**  
Program Changes: **Asia-Pacific Strategy**

<u>Title:</u>	<u>Grade</u>	<u>Number</u>	<u>Annual Salary</u>	<u>Total Salaries</u>
Foreign Commercial Officer	OF-01	3	74,773	224,319
Foreign Commercial Officer	OF-02	7	60,589	424,123
Foreign Commercial Officer	OF-03	8	49,095	392,760
Foreign Service National		2	30,000	60,000
Total		20		<b>1,101,202</b>
Less lapse (50.00%)		(10)		(550,601)
Total full-time permanent		10		<b>550,601</b>
FY 2000 Pay Adjustment (4.4%)				24,226
<b>TOTAL</b>				<b>574,827</b>

**Personnel Data**

Full-time Equivalent Employment:

Full-time permanent	10
Other than full-time permanent	0
Total	<b>10</b>

Authorized Positions:

Full-time permanent	<b>20</b>
Other than full-time permanent	0
Total	<b>20</b>

**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
(Dollar amounts in thousands)

Exhibit 15

Activity: **U.S. and Foreign Commercial Service**  
Subactivity: **International Operations**  
Program Changes: **Asia-Pacific Strategy**

<u>Object class</u>	<b>FY 2000</b> <b>Increase</b>
11 Personnel compensation	
11.1 Full-time permanent	575
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	0
11.9 <b>Total personnel compensation</b>	<b>575</b>
12.1 Civilian personnel benefits (45%)	259
13.0 Benefits for former personnel	0
21 Travel and transportation of persons	835
22 Transportation of things	17
23.1 Rental payments to GSA	0
23.2 Rental payments to others	426
23.3 Communications, utilities and miscellaneous charges	244
24 Printing and reproduction	25
25 Other services	1,234
26 Supplies and materials	125
31 Equipment	860
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
<b>99 Total obligations</b>	<b>4,600</b>

**Department of Commerce  
International Trade Administration  
Operations and Administration  
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS  
(Dollar amounts in thousands)**

Activity: **International Trade**  
Subactivity: **Executive Direction/Administration**

		1998		1999		2000		2000		Increase/ (Decrease)	
		Actual		Currently Available		Base		Estimate			
		Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount
<b>Executive Direction/Administration</b>											
Exec. Dir./Admin.	Pos./BA	143	11,505	143	11,679	143	15,098	143	16,098	0	1,000
	FTE/Obl.	143	11,283	143	12,978	143	15,098	143	16,098	0	1,000
<b>Direct Obligations</b>											
	<b>Pos./BA</b>	143	11,505	143	11,679	143	15,098	143	16,098	0	1,000
	<b>FTE/Obl.</b>	135	11,283	143	12,978	143	15,098	143	16,098	0	1,000

**Department of Commerce  
International Trade Administration  
Operations and Administration  
JUSTIFICATION OF PROGRAM AND PERFORMANCE FOR  
EXECUTIVE DIRECTION AND ADMINISTRATION**

**Goals and Objectives for FY 2000**

**Goals:** ITA's Executive Direction and Administration units' goals are to provide the proper conditions so that ITA units can achieve their goals of implementing the President's National Export Strategy in conjunction with the Trade Promotion Coordinating Committee, enforcing U.S. trade laws and agreements to promote free and fair trade, and strengthening and institutionalizing trade advocacy efforts.

**Objectives:** Executive Direction and Administration achieve their goals by providing overall policy guidance and leadership, program oversight, and administrative services required by operating units ITA-wide.

**Base Program**

The Executive Direction and Administration units of ITA provide organization-wide overall policy leadership, program oversight, and administrative services to ITA operational units. Executive Direction, headed by the Under Secretary for International Trade, also includes the Deputy Under Secretary for International Trade who directs the actions of the CFO and the Director of Administration, the Office of Legislative and Intergovernmental Affairs, the Office of Public Affairs, the Counselor to the Department, and the Trade Promotion Coordinating Committee Secretariat. In addition to providing overall policy leadership, Executive Direction also acts as the main point of contact between ITA and the Department of Commerce, other portions of the Federal Government, State and local governments, and the general public in describing ITA policies. Executive Direction includes the Under Secretary for International Trade, the immediate support staff associated with this position, the Deputy Under Secretary for International Trade, a Legislative and Intergovernmental Affairs Staff, and an Office of Public Affairs. Their functions are described below:

**Office of the Under Secretary and Deputy Under Secretary for International Affairs (U/S)** -- provides coordination of all issues and programs concerning trade administration, international trade and commercial policy and trade development; provides representation on the Trade Policy Committee as ex-official member of the Board of the Export-Import Bank of the U.S., and, as assigned, serves on all other Secretarial - level boards, committees or panels of which the primary focus is international trade.

**Office of Legislative and Intergovernmental Affairs (OLA)** -- provides attendance at hearings, markups, and the House-Senate conference; arranges for interaction with members of Congress, their staffs and staffs of Congressional Committees; prepares letters, memoranda, reports, and briefings of Departmental witnesses; informs the Congress of the Administration/Departmental position on legislation; informs Departmental Officials of legislative initiatives; informs Congress of Departmental programs; and responds to Congressional inquiries.

**Office of Public Affairs (OPA)** -- manages the ITA public affairs' issues and publications; inform the press and the U.S. business community about



the services ITA provides to help expand U.S. exports and jobs; provides news releases which detail new trade initiatives and policies; reports on new countervailing and antidumping charges and investigations; seeks opportunities to place qualified ITA officials before appropriate press and business audiences in the U.S. and around the world to discuss the crucial role U.S. exports trade plays in the balance of payments and increased employment.

Administration, headed by the Chief Financial Officer (CFO) and Director of Administration and consisting of four offices (Human Resources Management, Financial Management, Information Resources Management, and Organization and Management Support), provides required administrative services to all portions of ITA. Their functions are described below:

**Office of the CFO and the Director of Administration (DOA/CFO)** -- to provide overall management of ITA administrative services and provides coordination of ITA administrative matters with the Assistant Secretary for Administration, the Inspector General, and other Department officials.

**Office of Financial Management (OFM)** -- to provide planning, coordination budget and accounting functions for ITA; serves as ITA's principal contact on financial matters with the department, OMB, Treasury, GAO, Budget and Appropriations committees of the Congress, and other member agencies of the Joint Financial Management Improvement Program.

**Office of Human Resources Management (OHRM)** -- to provide advice and guidance to managers and employees on matters which affect their daily well-being. Issues include: 1) rights, benefits, privileges, obligations and responsibilities relative to such areas as disciplinary matters, appeals and grievances, health and life insurance, blood donor programs, injury compensation, death benefits, retirement, leave, security, safety, and performance appraisals; 2) provide office management/oversight needed to integrate activities and interests of separate functional areas; manage fiscal resources; develop staff papers for senior management support to Department activities; 3) provide professional staffing classification, and employee relations assistance to professional staff, ADP interface/input, administration of personnel data system, and records processing maintenance activities; 4) evaluate, establish, and fill ITA competitive and excepted service positions through hiring, reassignment, or promotion at proper levels with the best qualified candidates consistent with merit requirements and affirmative action programs; and 5) enhance career development training for ITA employees at all levels; oversee performance appraisal system requirements; administer awards system to recognize superior outputs and accomplishments.

**Office of Information Resources Management (OIRM)** -- to implement a program of ADP management and planning, including office automation; to manage and operate an ITA local area network, a remote data center access facility, and a Telecommunications Center serving ITA and other Commerce operating units for overseas communications through the Department of State network and also to provide the duty officer required by Presidential Directive 27; to staff an Operations Center which analyzes incoming cables and summarizes most important messages for key policy making officials; to conduct the ITA Security Program; and to provide consulting technical assistance, and liaison on information technology matters.

**Office of Organization and Management Support (OOMS)** -- to provide management analysis and support programs for ITA; monitor resource expenditures and service levels of administrative services provided centrally through the Working Capital Fund, reimbursable agreements; resolve service delivery problems and achieve cost reduction for these services; conduct records; committees, forms and information collection management programs; operate ITA's controlled correspondence process; and manage ITA's directives system.

**Department of Commerce  
International Trade Administration  
INCREASE FOR FY 2000  
Implementation of the Department of the Interior's Federal Financial System  
(dollar amounts in thousands)**

		<u>2000 Base</u>		<u>2000 Estimate</u>		<u>Increase</u>	
		<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
<b>Executive Direction/Administration. ....</b>	<b>Pos./BA</b>	<b>143</b>	<b>15,098</b>	<b>143</b>	<b>16,098</b>	<b>0</b>	<b>1,000</b>
	<b>FTE/Obl.</b>	<b>143</b>	<b>15,098</b>	<b>143</b>	<b>16,098</b>	<b>0</b>	<b>1,000</b>

**Implementation of the Department of the Interior's Federal Financial System (FFS) (0 FTE, +\$1,000,000)** - ITA has a requirement to install improved accounting and personal property systems in order to obtain a clean financial audit. The Department of the Interior's FFS, once fully operational, will accomplish that objective. The FFS will operate as a real-time system, a great improvement over the previous system. The system will also seamlessly link with the Department of State's accounting system outputs to include ITA's overseas accounting data.

ITA is committed to implementing the FFS throughout the agency and assure that ITA financial data are recorded and personal property is inventoried and reconciled in accordance with financial management requirements of the Chief Financial Officers (CFO) Act. Another key component for achieving additional improvements is training of all system users so they are proficient and accurate in using the system.

The FFS will allow real-time budget execution reports to be provided electronically to ITA program managers by the Office of Financial Management. This will improve the manager's decision making, particularly at the critical end-of-fiscal year period.

**Performance Measures:**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Unqualified Financial Audit	1	1	1	1	1

**Cost and Benefits:**

<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
-------------	-------------	-------------	-------------	-------------

Direct Obligations					
Capitalized	0	0	0	0	0
Uncapitalized	1,000	1,000	1,000	1,000	1,000
Total	1,000	1,000	1,000	1,000	1,000
Budget Authority	1,000	1,000	1,000	1,000	1,000
Outlays	700	900	1,000	1,000	1,000
FTE	0	0	0	0	0

**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
(Dollar amounts in thousands)

Exhibit 15

Activity: **Executive Direction/Administration**  
Subactivity: **Implementation of Federal Financial System**  
Program Change:

<u>Object class</u>	<u>Increase</u>
11 Personnel compensation	
11.1 Full-time permanent	0
11.3 Other than full-time permanent	0
1.5 Other personnel compensation	0
11.8 Special personnel services payments	0
11.9 <b>Total personnel compensation</b>	<b>0</b>
12.1 Civilian personnel benefits (24.55 %)	0
13.0 Benefits for former personnel	0
21 Travel and transportation of persons	0
22 Transportation of things	0
23.1 Rental payments to GSA	0
23.3 Communications, utilities and miscellaneous charges	0
24 Printing and reproduction	0
25 Other services	1,000
26 Supplies and materials	0
31 Equipment	0
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
4 Refunds	0
<b>99 Direct obligations</b>	<b>1,000</b>

**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**SUMMARY OF REQUIREMENTS BY OBJECT CLASS**  
**(Direct obligations in thousands)**

		1998	1999	2000	2000	Increase/
		Actual	Currently Available	Base	Estimate	(Decrease)
<u>Object Class</u>						
11	Personnel compensation					
11.1	Full-time permanent	115,350	120,669	124,087	128,518	4,431
11.3	Other than full-time permanent	4,658	4,946	5,055	5,055	0
11.5	Other personnel compensation	2,608	2,848	2,848	2,848	0
11.8	Special personnel services payments	1,977	1,700	200	200	0
11.9	Total personnel compensation	124,593	130,163	132,190	136,621	4,431
12.1	Civilian personnel benefits	29,640	30,374	30,158	31,587	1,429
13	Benefits for former personnel	1,001	1,100	600	600	0
21	Travel and transportation of persons	12,154	12,042	11,042	13,554	2,512
22	Transportation of things	839	1,145	1,145	1,321	176
23.1	Rental payments to GSA	12,420	14,102	14,470	14,810	340
23.2	Rental payments to others	6,661	9,053	9,144	11,200	2,056
23.3	Communications, utilities & miscellaneous charges	13,086	13,025	10,237	11,992	1,755
24	Printing and reproduction	2,427	2,707	2,267	2,549	282
25.1	Consulting Services	265	500	500	500	0
25.2	Other services	44,642	37,934	21,077	28,340	7,263
25.3	Purchases of goods and services from Gov't accounts	34,813	33,479	34,905	35,455	550
26	Supplies and materials	3,390	4,951	4,651	5,221	570
31	Equipment	7,033	8,461	7,461	10,031	2,570
32	Lands and structures	0	0	0	0	0
33	Investments and loans	0	0	0	0	0
41	Grants, subsidies and contributions	17,325	12,255	1,500	1,500	0
42	Insurance claims and indemnities	34	50	50	50	0
43	Interest and dividends	35	100	100	100	0
44	Refunds	146	0	0	0	0
91	Unvouchered	0	0	0	0	0
92	Undistributed	0	0	0	0	0
99	Total Obligations	310,864	311,622	281,497	305,431	23,934

**Department of Commerce  
International Trade Administration  
Operations and Administration  
SUMMARY OF REQUIREMENTS BY OBJECT CLASS  
(Direct obligations in thousands)**

	<u>1998 Actual</u>	<u>1999 Currently Available</u>	<u>2000 Base</u>	<u>2000 Estimate</u>	<u>Increase/ (Decrease)</u>
<u>Personnel Data</u>					
Full-time Equivalent Employment:					
Full-time permanent	2,010	2,183	2,198	2,283	85
Other than full-time permanent	85	100	100	100	0
Total	2,095	2,283	2,298	2,383	85
Authorized Positions:					
Full-time permanent	2,388	2,443	2,443	2,579	136
Other than full-time permanent	75	75	75	75	0
Total	2,464	2,518	2,518	2,654	136

**Department of Commerce  
International Trade Administration  
Operations and Administration  
DETAILED REQUIREMENTS BY OBJECT CLASS  
(Dollar amounts in thousands)**

		<b>2000 Adjustments to Base</b>	<b>2000 Base</b>	<b>2000 Estimate</b>	<b>Increase/ (Decrease)</b>
11	Personnel Compensation				
11.1	Full-time Permanent				
	Executive level	10	650	650	0
	Senior executive	109	4,790	4,790	0
	General schedule	1,875	74,930	77,173	2,243
	Senior foreign service	66	2,872	2,872	0
	Foreign service staff	784	15,731	17,549	1,818
	Foreign service nationals	<u>574</u>	<u>25,114</u>	<u>25,484</u>	<u>370</u>
	Subtotal	3,418	124,087	128,518	4,431
11.3	Other than full-time permanent				
	General schedule	109	5,055	5,055	0
	Experts and consultants	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	Subtotal	109	5,055	5,055	0
11.5	Other personnel compensation				
	Overtime	0	1,728	1,728	0
	Cash awards	<u>0</u>	<u>1,120</u>	<u>1,120</u>	<u>0</u>
	Subtotal	0	2,848	2,848	0
11.8	Special personnel service payments				
	Foreign service officers (State)	0	200	200	0
	Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	Subtotal	0	200	200	0
11.9	Total personnel compensation	3,527	132,190	136,621	4,431
12.1	Civilian personnel benefits				
	Civil service retirement	(61)	3,047	3,047	0
	Federal employees' retirement	456	7,242	7,814	572
	Thrift savings plan	64	2,238	2,329	91
	Federal insurance contribution act	293	5,605	5,936	331
	Health insurance	309	4,140	4,310	170
	Life insurance	6	194	204	10
	Employees' compensation fund	255	875	875	0
	Other	<u>162</u>	<u>6,817</u>	<u>7,072</u>	<u>255</u>
	Subtotal	1,484	30,158	31,587	1,429

		<b>2000 Adjustments to Base</b>	<b>2000 Base</b>	<b>2000 Estimate</b>	<b>Increase/ (Decrease)</b>
13	Benefits for former personnel				
	Severance pay	0	600	600	0
	Unemployment compensation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	Subtotal	0	600	600	0
21	Travel and transportation of persons				
	Common carrier	0	4,629	5,649	1,020
	Milage	0	303	346	43
	Per diem/actual	0	4,539	5,491	952
	Vehicular	0	114	131	17
	Other	0	1,457	1,937	480
	[Overseas estimates]	<u>[0]</u>	<u>[2,773]</u>	<u>[3,223]</u>	<u>[450]</u>
	Subtotal	0	11,042	13,554	2,512
22	Transportation of things	9	1,145	1,321	176
	[Overseas estimates]	<u>[0]</u>	<u>[560]</u>	<u>[600]</u>	<u>[40]</u>
23.1	Rental payments to GSA	368	14,470	14,810	340
23.2	Rental payments to others	91	9,144	11,200	2,056
23.3	Communications, utilities and miscellaneous charges				
	Rental of ADP Equipment	0	338	413	75
	Rental of office copying equipment	0	537	687	150
	Other equipment rental	0	789	1,014	225
	Federal telecommunications system	0	649	769	120
	Other telecommunications services	32	3,939	4,839	900
	Postal services by USPS	0	1,845	1,910	65
	Other	0	2,140	2,360	220
	[Overseas estimates]	<u>[0]</u>	<u>[6,190]</u>	<u>[6,670]</u>	<u>[480]</u>
	Subtotal	32	10,237	11,992	1,755
24	Printing and reproduction				
	Publications	0	805	955	150
	Public use forms	0	158	168	10
	Envelopes	0	21	31	10
	Other	60	1,283	1,395	112
	[Payments to GA, WCF]	<u>[0]</u>	<u>[1,749]</u>	<u>[1,749]</u>	<u>[0]</u>
	[Overseas estimates]	<u>[0]</u>	<u>[359]</u>	<u>[429]</u>	<u>[70]</u>
	Subtotal	60	2,267	2,549	282



		<b>2000 Adjustments to Base</b>	<b>2000 Base</b>	<b>2000 Estimate</b>	<b>Increase/ (Decrease)</b>
25.1	Consulting services	0	500	500	0
25.2	Other services				
	Training				
	University	0	150	150	0
	Other	0	650	650	0
	Maintenance of equipment	0	1,010	1,135	125
	Other non-governmental contracts	0	5,950	9,950	4,000
	Representation	0	361	361	0
	Other	250	12,956	16,904	3,138
	[Overseas estimates]	<u>[250]</u>	<u>[10,193]</u>	<u>[11,618]</u>	<u>[1,425]</u>
	Subtotal	250	21,077	28,340	7,263
25.3	Purchase of goods and services from Gov't. accounts				
	Office of Personnel Management Training	0	88	88	0
	GSA reimbursable services	0	200	200	0
	Commerce Administrative Management Systems (CAMS)	(1,280)	0	0	0
	Payment to GA, WCF	2,706	14,826	15,346	550
	Foreign Affairs Administrative Support	0	<u>19,791</u>	<u>19,791</u>	<u>0</u>
	Subtotal	1,426	34,905	35,455	550
26	Supplies and materials				
	Office supplies	0	1,976	2,184	208
	ADP supplies	0	1,299	1,437	138
	Other	0	1,376	1,600	224
	[Overseas estimates]	<u>[0]</u>	<u>[1,635]</u>	<u>[1,800]</u>	<u>[165]</u>
	Subtotal	0	4,651	5,221	570
31	Equipment				
	Office machines and equipment	0	2,382	2,732	350
	ADP hardware	0	3,415	4,365	950
	ADP software	0	975	1,425	450
	Other	0	689	1,509	820
	[Overseas estimates]	<u>[0]</u>	<u>[3,506]</u>	<u>[4,006]</u>	<u>[500]</u>
	Subtotal	0	7,461	10,031	2,570
32	Lands and structures	0	0	0	0
33	Investments	0	0	0	0
41	Grants, subsidies and contributions	(10,755)	1,500	1,500	0
42	Insurance claims and indemnities	0	50	50	0
43	Interest and dividends	0	100	100	0
44	Refunds	0	0	0	0
<b>99</b>	<b>Total Obligations</b>	<b>(3,517)</b>	<b>281,497</b>	<b>305,431</b>	<b>23,934</b>

**Appropriation Language and Code Citations:**

Exhibit 33

1. "For necessary expenses for international trade activities of the Department of Commerce, provided for by law, and engaging in trade promotional activities, including expenses of grants and cooperative agreements for the purpose of promoting of United States firms,

15 U.S.C. 649b  
15 U.S.C. 1501 et seq.  
15 U.S.C. 1871  
15 U.S.C. 4001 et seq.  
15 U.S.C. 4011 et seq.  
19 U.S.C. 81a et seq.  
19 U.S.C. 1202  
19 U.S.C. 1202 nt.  
19 U.S.C. 1303  
19 U.S.C. 1671 et seq.  
19 U.S.C. 1673 et seq.  
19 U.S.C. 2031

19 U.S.C. 2155  
19 U.S.C. 2354  
19 U.S.C. 2411 et seq.  
22 U.S.C. 3901 et seq.  
22 U.S.C. 2451 et seq.  
22 U.S.C. 2651 et seq.  
22 U.S.C. 3101 et seq.

15 U.S.C. 649b authorizes the Secretary of Commerce to award grants (including contracts and cooperative agreements) to encourage the development and implementation of small business international marketing programs.

15 U.S.C. 1501 et seq. provides the basic authority for performance of those functions and activities of ITA which promote an improved trade posture for United States industry.

15 U.S.C. 1871 provides the authority for an annual, comprehensive assessment of the state of the automobile industry and its interaction in an integrated economy.

15 U.S.C. 4001 et seq., 4011 et seq. (Export Trading Company Act of 1982) requires the establishment of an antitrust certification program and the promotion of export trading companies.

19 U.S.C. 81a et seq. establishes the Foreign-Trade Zones Board and designates the Secretary of Commerce as chairman and executive officer of the Board.

19 U.S.C. 1202 general note provides the Department of Commerce with the authority to develop, maintain, and publish a list of bona fide motor-vehicle manufacturers.

19 U.S.C. 1202 notes provides authority for two import control programs, the Watch Quota program and the Florence Agreement program.

19 U.S.C. 1303 authorizes the investigation as to whether a foreign government has paid or is paying a bounty or grant upon the manufacture, production, or export of merchandise imported into the United States, and if so, requires the determination and imposition of countervailing duties upon such merchandise. This section is limited to merchandise from a country not covered by the Agreement on Subsidies and Countervailing Measures or from a country which has not assumed obligations similar to those contained in such Agreement.

19 U.S.C. 1671 et seq. authorizes the investigation as to whether a foreign government has paid or pays a subsidy upon the manufacture, production, or export of merchandise imported into the United States, and if the International Trade Commission finds requisite injury, requires the determination and imposition of countervailing duties upon such merchandise. This section applies to merchandise from countries covered by the Agreement on Subsidies and Countervailing Measures or from countries which have assumed obligations similar to those contained in the Agreement.

19 U.S.C. 1673 et seq. authorizes the investigations as to whether foreign merchandise is, or is likely to be, sold in the United States at less than fair value and, if so, and if the International Trade Commission finds requisite injury, requires the determination and imposition of antidumping duties upon such merchandise.

19 U.S.C. 2031 provides the authority to promulgate rules and regulations pertaining thereto under the Automotive Products Trade Act of 1965 (19 U.S.C. 2001 et seq.).

19 U.S.C. 2155 authorizes the President to organize through the U.S. Trade Representative and the Secretaries of Commerce, Labor, Agriculture, the Treasury, or other executive departments, as appropriate, general policy advisory committees composed of representatives of all industry, labor, agricultural, service, investment, defense, and other interests

19 U.S.C. 2155 also authorizes the President to organize, through the U.S. Trade Representative and the Secretaries of Commerce, Labor, Agriculture, the Treasury, or other executive departments, as appropriate, sectoral or functional advisory committees composed of representatives from industry, labor, agriculture, and services. These committees provide policy and technical advice on international trade negotiating objectives and bargaining positions, the operation of trade agreements, and with respect to other matters involving the development, implementation, and administration of U.S. trade policy.

19 U.S.C. 2354 requires the Bureau of Industrial Economics to prepare studies, reports, and information activities for the Secretary of Commerce in response to investigations and findings of the International Trade Commission under 2252 of Title 19 to determine eligibility for adjustment assistance,

except that reports to be submitted to the President shall be issued by the Secretary, and responsibility for assistance in preparation and processing of petitions and applications under Subsection 264 (c) shall be vested in the Assistant Secretary for Economic Development.

19 U.S.C. 2411 et seq. provides procedures for determinations and actions to be taken to enforce the rights of the United States under any trade agreement, or to respond to any act, policy, or practice of a foreign country that is inconsistent with the provisions or any trade agreement, that burdens or restricts United States commerce.

22 U.S.C. 3901 et seq., the Foreign Service Act of 1980 consolidated and revised the laws relating to the Administration and operations of the Foreign Service of the United States. Under Reorganization Plan No. 3 of 1979 and Executive Order 12188, the Secretary was authorized to establish and administer the Foreign Commercial Service and to utilize therefore the authorities of the Foreign Service Act.

22 U.S.C. 2451 et seq. authorizes the President to provide for U.S. participation in international fairs and expositions, including trade and industrial fairs and other public or private demonstrations of U.S. economic accomplishments. ITA provides a wide range of trade exhibitions overseas.

22 U.S.C. 2651 et seq. establishes the Department of State and provides authority for a number of overseas operations. Reorganization Plan No. 3 of 1979 and Executive Order 12188 authorize the utilization of certain of these authorities in connection with the operation of the Foreign Commercial Service.

22 U.S.C. 3101 et seq. authorizes the President to conduct surveys and studies of both United States direct investment abroad as well as foreign direct and portfolio investment in the United States. ITA monitors, analyzes, and reports to Congress on specific aspects of international investment which may have significant implications for the economic welfare and national security of the United States.

40 U.S.C. 512 provides authority for the administration of the Foreign Excess Property program.

2. "without regard to the provisions of law set forth in 44 U.S.C. 3702 and 3703;

#### No Specific Authority

44 U.S.C. 3702 specifies that an executive department may not publish or pay for advertisements without written authority from the head of that department.

The nature of ITA's overseas exhibition program requires maximum flexibility in advertising requirements since exhibitions may be changed, added, or canceled. When such changes take place, advertisements must be placed as soon as possible to inform the local business community. This exception from 44 U.S.C. 3702 will provide the flexibility which is required to effectively advertise for these exhibitions.

44 U.S.C. 3703 stipulates that prices paid for advertising may not exceed the commercial rates charged to provide individuals, with the usual discounts. Since the United States Government does not have sovereign status in other countries and is charged commercial rates without the discounts required by 44 U.S.C. 3703, this exception is necessary to permit contracting in a manner which conforms to the realities of foreign advertising markets.

3. "full medical coverage for dependent members of immediate families of employees stationed overseas and employees temporarily posted overseas;"

No Specific Authority

This language permits the International Trade Administration to extend to certain of its overseas employees the same benefits afforded domestically employed Federal employees and employees of ITA's Foreign Commercial Service in equivalent positions overseas.

4. "travel and transportation of employees of the United States and Foreign Commercial Service between two points abroad, without regard to 49 U.S.C. 1517;"

No Specific Authority

In 1979, the Congress exempted Foreign Service agencies from the requirement that government travel between two points outside the United States be accomplished by U.S. air carrier. This phrase clarifies that the U.S. and Foreign Commercial Service is included in the exemption and overturns a Comptroller General decision to the contrary.

5. "employment of Americans and aliens by contract for services abroad;"

No Specific Authority

44 CG 761, OPM guidance, and House Report 89-188 have concluded that Federal agencies must have specific authority to employ personnel by contract. In order to present its overseas exhibitions ITA often requires the use of narrators, demonstrators, receptionists, clerical, and facilities maintenance personnel who speak the language of the host country; are familiar with local practices and procedures; or who only need to be employed for a short period of time. In some cases, however, it is more advantageous to employ U.S. citizens in the host country (generally members of an employee's family) because they have greater familiarity with American methods and, therefore, require less effort to train.

6. "rental of space abroad for periods not exceeding ten years, and expenses of alternation, repair, or improvements;"

No Specific Authority

Buildings, pavilions, and space in such structures must be rented for exhibitions. Rental terms are established by fair authorities. The program may desire to exhibit at certain fairs which support ITA's trade development objectives. The installation of exhibits in rented buildings requires that certain alterations and improvements be made. To limit expenditures for such alterations and improvements would seriously restrict the quality and effectiveness of the exhibitions.

7. "purchase or construction of temporary demountable exhibition structures for use abroad;"

No Specific Authority

40 U.S.C. 601 prohibits the construction of public buildings except by the Administrator of the General Services Administration. Authority to purchase or construct such demountable structures is necessary to allow ITA to present exhibitions overseas when permanent exhibition facilities are not available.

41 U.S.C. 10a permits the purchase of articles, materials, or supplies in foreign countries when they are to be used in that country.

8. "payment of tort claims, in the manner authorized in the first paragraph of 28 U.S.C. 2672 when such claims arise in foreign countries;"

No Specific Authority

28 U.S.C. 2672 provides for settlement of tort claims for money damages of \$25,000 or less against the United States by the head of each federal agency for loss of property or personal injury or death caused by a negligent or wrongful act of any employee of the Government while acting within the scope of his employment in circumstances where the United States, if a private person, would be liable under local law. However, 28 U.S.C. 2680 exempts the settlement of tort claims which arise abroad from the provisions of 28 U.S.C. 2672. The language requested would exempt ITA from 28 U.S.C. 2680 and would cover the settlement of tort claims against the United States which arise in connection with the ITA's trade promotion activities abroad.

9. "not to exceed \$327,000 for official representation expenses abroad;"

No Specific Authority

5 U.S.C. 5536 prohibits additional pay, extra allowances, or compensation unless the appropriation explicitly states that it is for such additional pay, extra allowances, or compensation.

10. "purchase of passenger motor vehicles for official use abroad not to exceed \$30,000 per vehicle; obtain insurance on official motor vehicles, rent tie lines and teletype equipment;"

No Specific Authority

31 U.S.C. 1343 authorizes the purchase of passenger motor vehicles and purchase of motor vehicles for law enforcement use of the U.S. Capitol Police without regard to any price limitation otherwise established by law.

This section also prohibits the purchase of passenger motor vehicles unless specifically authorized by the appropriation concerned or other law with the exception of those for the use of the President of the United States, the secretaries to the President or the head of certain executive departments.

11. "\$305,431,000 to remain available until expended,"

No Specific Authority

31 U.S.C. 1301(c) provides that an appropriation in a regular, annual appropriation law may be construed to be permanent or available continuously if the appropriation expressly provides that it is available after the fiscal year covered by the law in which it appears.

12. "Provided, That the provisions of the first sentence of section 105(f) and all of section 108(c) of the Mutual Educational and Cultural Exchange Act of 1961

(22 U.S.C. 2455(f) and 2458(c)) shall apply in carrying out these activities without regard to section 5412 of the Omnibus Trade and Competiveness Act of 1988 (15 USC4912);

#### No Specific Authority

22 U.S.C. 2455(f) provides authority to accept contributions of funds, property and services from foreign governments, international organizations and private individuals, firms, associations, agencies, and other groups in carrying out the activities concerned with exhibits pursuant to the Mutual Educational and Cultural Exchange Act of 1961.

22 U.S.C. 2458(c) provides authorization for all necessary expenditures involved in the selection, purchase, rental, construction, or other acquisition of exhibitions and the necessary supplies therefor.

This phrase provides for extension of this authority and permits ITA to collect funds for use in conducting trade promotion events abroad.

13. “and that for the purpose of this Act, contributions under the provisions of the Mutual Educational and Cultural Exchange Act shall include payment for assessments for services provided as part of these activities.”

Department of Commerce  
International Trade Administration  
Operations and Administration  
**CONSULTING AND RELATED SERVICES**  
(Obligations in thousands)

	<b><u>1998</u></b> <b><u>Actual</u></b>	<b><u>1999</u></b> <b><u>Estimate</u></b>	<b><u>2000</u></b> <b><u>Estimate</u></b>
Management and professional support services .....	\$265	\$500	\$500
Studies, and analysis evaluations .....	---	---	---
Engineering and technical service .....	<u>---</u>	<u>---</u>	<u>---</u>
Total .....	\$265	\$500	\$500

ITA requires consulting services to meet relatively short-term requirements for industry and/or economic expertise. Because of various ITA programs which focus on very narrow areas (specific export promotion events, negotiations, antidumping and countervailing duty cases), it is preferable to maintain the ability to obtain short-term expertise rather than a permanent staff capacity.

Management and professional services: These services provide technical expertise, interpretation and stenographic services.



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International Trade Administration  
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Exhibit 35

**PERIODICALS, PAMPHLETS, AND AUDIOVISUAL PRODUCTS**  
(Obligations in thousands)

	<b><u>1997</u></b> <b><u>Actual</u></b>	<b><u>1998</u></b> <b><u>Actual</u></b>	<b><u>1999</u></b> <b><u>Estimate</u></b>	<b><u>2000</u></b> <b><u>Estimate</u></b>
Periodicals .....	\$103	\$153	\$161108	\$167
Pamphlets .....	472	334	347	360
Audiovisuals .....	---	---	---	---
Total <sup>1/</sup> .....	\$575	\$487	\$508	\$527

<sup>1/</sup> Includes off-setting receipts as follows: FY 1997 = \$214, FY 1998 = \$146, FY 1999 = \$152, and FY 2000 = \$158.

ITA publications, periodicals as well as pamphlets, are one of the most essential tools through which the organization fulfills its mission to carry out the U.S. Government's nonagricultural trade activities, to encourage and promote U.S. exports of manufactured goods, administer U.S. statutes and agreements dealing with foreign trade, and to advise on U.S. international and domestic trade and commercial policy. Periodicals include Business America.

Individual publications including economic and market research studies, foreign direct investment reports and textile reports play an essential role in keeping the business public informed on particular aspects of the global business picture which ITA is charged with disseminating.